



PROSPECTUS

ACN 654 049 699

For an offer of 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000 (**Public Offer**).

The Public Offer is conditional upon satisfaction of the Conditions, which are detailed further in Section 4.5. No Securities will be issued pursuant to this Prospectus until those Conditions are met.

This Prospectus also contains the Secondary Offers, which are detailed in Sections 4.1.2 to 4.1.4.

Lead Manager to the Public Offer:

PAC Partners Securities Pty Ltd
(AFSL No. 335374)

Refer to Sections 4.4 and 9.1.1 for details regarding the terms of the Lead Manager Mandate.

LEAD MANAGER



IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

Not for release to US wire services or distribution in the United States except by the Company to Institutional Investors.

IMPORTANT NOTICE

This Prospectus is dated 9 November 2022 and was lodged with the ASIC on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered under this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Securities under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws. Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer or invitation to apply for Securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action or formality has been taken to register or qualify the Securities or the offer, or to otherwise permit a public offering of the Securities in any jurisdiction outside Australia except as described in Section 4.10.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including as set forth in Section 4.10. Any failure to comply with such restrictions could constitute a violation of applicable securities laws.

This Prospectus may only be distributed in the United States only by the Company. The Shares and the Options (including the underlying ordinary shares) have not been, and will not be, registered under the US Securities Act, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and any applicable US state securities laws.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.acdcmetals.com.au. The Prospectus is available in electronic form only to Australian residents accessing the website within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (0) 422 266 570 during office hours or by emailing the Company at info@acdcmetals.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or

replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Securities issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether an investment in the Company meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Securities. There are risks associated with an investment in the Company. The Securities offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Securities. Refer to Section D of the Investment Overview as well as Section 7 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.



IMPORTANT NOTICE

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's performance and actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Competent Person's statement

The information in the Investment Overview Section of this Prospectus, included at Section 3, the Company and Projects Overview, included at Section 5, and the Independent Geologist's Report, included at Annexure A of the Prospectus, which relate to exploration results is based on, and fairly represents, information and supporting documentation prepared by Rodney Webster. Rodney Webster has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Rodney Webster is a full time employee of AMC Consultants Pty Ltd. Rodney Webster consents to the inclusion of the information in these Sections of this Prospectus in the form and context in which it appears and to the extent that the information relates to exploration results, which is based on, and fairly represents, information and supporting documentation by Rodney Webster.

Continuous disclosure obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Securities issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 12.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

IMPORTANT NOTICE

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact details set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on your application for Securities under this Prospectus, the Company may not be able to accept or process your application.

Enquiries

If you are unclear in relation to the matters raised in this Prospectus or are in doubt as to how to deal with it, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser without delay. Should you have any questions in relation to the Public Offer or how to accept the Public Offer please contact the Company Secretary on +61 (0) 422 266 570.



CORPORATE DIRECTORY

DIRECTORS

Andrew Shearer
Non-Executive Chairman

Mark Saxon
Executive Director

Richard Boyce
Non-Executive Director

Ivan Fairhall
Non-Executive Director

KEY MANAGEMENT

Thomas Davidson
Chief Executive Officer

Tamara Barr
Company Secretary

PROPOSED ASX CODE

ADC

REGISTERED OFFICE

Level 6, 111 Collins Street
Melbourne VIC 3000

Telephone: + 61 422 266 570
Email: info@acdcmetals.com.au
Website: www.acdcmetals.com.au

LEGAL ADVISERS

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Melbourne VIC 3000

INVESTIGATING ACCOUNTANT

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

AUDITOR*

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

INDEPENDENT GEOLOGIST

AMC Consultants Pty Ltd
Level 29, 140 William Street
Melbourne VIC 3000

INDEPENDENT TECHNICAL EXPERT

Zenito Limited
27 Old Gloucester Street
London, WC1N 3AX United Kingdom

LEAD MANAGER

PAC Partners Securities Pty Ltd
Level 29, 360 Collins Street
Melbourne VIC 3000

Telephone: + 61 3 9114 7419

SHARE REGISTRY*

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Suite 501, 477 Collins Street
Melbourne VIC 3000

Telephone: 1300 288 664
Email: hello@automic.com.au

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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1. LETTER FROM CHAIR

Dear Investor

On behalf of the directors of ACDC Metals Ltd (ACDC or Company), it gives me great pleasure to invite you to become a shareholder of the Company.

ACDC is a mineral exploration company incorporated with the aim of undertaking mineral exploration and resource development, focusing on heavy mineral sands projects located in Victoria, Australia, with the ultimate goal of producing heavy mineral sands (**HMS**) products and rare earth elements (**REE**).

ACDC has entered into binding acquisition agreements to acquire interests in the Goschen Central Project, the Douglas Project and the Watchem Project (together, the **Projects**). The Projects are located on the eastern edge of the Murray Basin, Victoria, Australia and are considered highly prospective for HMS, REE and other materials based on past exploration results.

In addition, the Company has entered into a licensing agreement with Canadian public company Medallion Resources Ltd (TSXV:MDL) (**Medallion**) to utilise its proprietary monazite processing technology, the Medallion Monazite Process (**MMP Technology**) to extract REE from monazite.

Following Admission, the Company intends to undertake a dual strategy approach by undertaking systematic exploration of the Projects in conjunction with further developing and advancing the MMP Technology.

The Projects were discovered through past drilling, which began in the 1980's. However, they have not been the subject of significant recent investment. The mineralisation style most prevalent across the Projects is mineral sand, which contains a suite of valuable heavy minerals including zircon, rutile, leucoxene, ilmenite and monazite (which contains REE).

In seeking to achieve a higher degree of resource efficiency, ACDC intends to further develop the MMP Technology to extract mixed REE compounds from monazite.

The Company and its business are at an early stage development and therefore, there are significant risks associated with an investment in the Company, which include risks associated with the Company's limited operating history, the development of the MMP Technology, which has not yet been commercialised, and mineral exploration and development generally, including the fact that the Company's Projects do not currently have any resources or reserves as defined under the JORC Code. Prospective investors are encouraged to read the risk factors outlined in Section 7 of this Prospectus.

This Prospectus is seeking to raise \$8,000,000 via the issue of Shares at an issue price of \$0.20 per Share under the Public Offer. The purpose of the Public Offer is to provide funds to implement the Company's business strategies (explained in Section 5). In addition, subject to the completion of the Public Offer and listing on the ASX, the Company presently intends to undertake a pro-rata offer of loyalty options to shareholders registered on a record date proposed to be on or about 2 months from the date of listing (**Loyalty Options**). It is expected that these Loyalty Options will be issued at \$0.005 per Loyalty Option, on a 1 for 2 basis, with an exercise price of \$0.30 and expiring approximately two (2) years from the date of issue. Subject to the compliance with the Listing Rules, the Company also intends to apply for quotation of these Loyalty Options.

1. LETTER FROM CHAIR

The Board has significant expertise and experience in REE as well as in the mining and exploration industry and will aim to ensure that funds raised through the Public Offer are utilised in a cost-effective manner to advance the Company's business.

This Prospectus is issued for the purpose of supporting an application to list the Company on ASX. This Prospectus contains detailed information about the Company, including the Projects that it has interests in and details on the MMP Technology, as well as the risks of participating in a speculative investment of this nature, and I encourage you to read it carefully. The Securities offered by this Prospectus should be considered highly speculative.

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company. Before you make your investment decision, I urge you to read this Prospectus in its entirety and seek professional advice if required.

Yours sincerely



Andrew Shearer
Non-Executive Chairman



2. KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

Lodgement of Prospectus with the ASIC	9 November 2022
Exposure Period begins	9 November 2022
Opening Date	17 November 2022
Closing Date	5pm (AEDT) on 9 December 2022
Issue of Securities under the Offers ²	13 December 2022
Despatch of holding statements	15 December 2022
Expected date for quotation on ASX	19 December 2022

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all times given are in AEDT. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offers early without prior notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Securities to applicants.
2. If the Public Offer is cancelled or withdrawn before completion of the Public Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

2. KEY OFFER INFORMATION

KEY STATISTICS OF THE OFFER

	Full Subscription (\$8,000,000)
Public Offer Price per Share	\$0.20
Shares currently on issue ¹	17,050,000
Options currently on issue	Nil
Shares to be issued under the Public Offer ²	40,000,000
Shares to be issued pursuant to Goschen Tenement Sale Agreement ³	6,586,991
Shares to be issued pursuant to Douglas Tenement Sale Agreement ⁴	6,168,139
Shares to be issued pursuant to Fish Hawk Share Sale Agreement ⁵	2,500,000
Gross Proceeds of the Public Offer	\$8,000,000
Shares on issue at Admission (undiluted)⁶	72,305,130
Market Capitalisation at Admission (undiluted)⁷	\$14,461,026
Options currently on issue	Nil
Options to be issued under the Lead Manager Options ⁸	5,000,000
Options to be issued under the Officer Options Offer ⁹	4,550,000
Performance Rights to be issued under the Performance Rights Offer ¹⁰	6,250,000
Shares on issue at Admission (fully diluted)^{6, 11}	88,105,130
Market Capitalisation at Admission (fully diluted)^{7, 11, 12}	\$17,621,026

Notes:

1. Comprising:
 - a) 4,500,000 Shares issued to Medallion Resources Ltd (**Medallion**) on 1 November 2021 at an issue price of \$0.001 per Share, being part consideration under the Medallion Licensing Agreement;
 - b) 2,000,000 Shares issued to Valas Investments Pty Ltd ATF Valas Investment A/C (an entity controlled by Director, Andrew Shearer) on 1 November 2021 at an issue price of \$0.001 per Share;
 - c) 2,000,000 Shares issued to Ridley Super Fund ATF Mark Stephen Saxon and Mrs Paula Saxon (an entity controlled by Director, Mark Saxon) on 1 November 2021 at an issue price of \$0.001 per Share;
 - d) 750,000 Shares issued to Leggetts Lane Capital Pty Ltd (an unrelated party of the Company) on 1 November 2021 at an issue price of \$0.01 per Share;
 - e) 200,000 Shares issued to Bonica Pty Ltd (an entity controlled by Director, Richard Boyce) on 1 November 2021 at an issue price of \$0.01 per Share;
 - f) 6,100,000 Shares issued at a price of \$0.10 per Share under the Company's November Seed Raising. The Company notes Medallion subscribed for \$30,000 worth of Shares under the Company's November Seed Raising pursuant to its rights under the Medallion Licensing Agreement. The remaining \$70,000 worth was subscribed for by unrelated parties; and



2. KEY OFFER INFORMATION

- g) 1,000,000 Shares issued at a price of \$0.10 per Share under the Company's August Seed Raising, where:
 - i. Salford Capital Pty Ltd (entity controlled by Director, Ivan Fairhall) subscribed for \$20,000 worth of Shares;
 - ii. Bonica Pty Ltd ATF Bonica Family Trust (entity controlled by Director, Richard Boyce) subscribed for \$15,000 worth of Shares; and
 - iii. Clear Sky Blue Pty Ltd (entity controlled by Company Secretary, Tamara Barr) subscribed for \$5,000 worth of Shares;
 - h) 400,000 Shares issued upon conversion of \$40,000 worth of loans advanced by two directors (Messrs Mark Saxon and Andrew Shearer) and two former directors (Messrs Michael Hudson and Thomas Burrowes) of the Company at a conversion price of \$0.10 per Share.
 - i) 100,000 Shares issued to Tom Davidson and Chelsea Davidson ATF Davidson Share Trust (an entity controlled by Chief Executive Officer, Tom Davidson) on 27 October 2022 at an issue price of \$0.10 per Share as a sign on bonus.
2. Assuming the Full Subscription of \$8,000,000 is achieved under the Public Offer.
 3. 6,586,991 Shares to be issued to Providence Gold and Minerals Pty Ltd (ACN 004 881 789) (**Providence**). Refer to Section 9.2.1 for further detail regarding the terms and conditions of the Goschen Tenement Sale Agreement.
 4. 6,168,139 Shares to be issued to Oro Plata Pty Ltd (ACN 127 800 391) (**Oro Plata**). Refer to Section 9.2.2 for further detail regarding the terms and conditions of the Douglas Tenement Sale Agreement.
 5. 2,500,000 Shares to be issued to the vendors of Fish Hawk Resources Pty Ltd (ACN 604 942 403) (**Fish Hawk**). Refer to Section 9.2.3 for further detail regarding the terms and conditions of the Fish Hawk Share Sale Agreement.
 6. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. The Company will announce to the ASX full details (quantity and duration) of Shares required by ASX to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval. Refer to Section 5.11 for disclosure with respect to the likely escrow position.
 7. Assuming a Share price of \$0.20, however, the Company notes that the Shares may trade above or below this price. The Company also notes that Medallion (and/or nominee) has a right to subscribe for up to 20% of the Shares to be issued under the Public Offer under the Medallion Licensing Agreement.
 8. Unquoted Options exercisable at \$0.30 each on or before the date that is 3 years from the date of issue (Lead Manager Options). The Lead Manager Options will be issued to the Lead Manager in part consideration for services provided in respect of the Public Offer. Refer to Section 10.3 for the terms and conditions of the Lead Manager Options.
 9. Unquoted Options exercisable at \$0.30 each on or before the date that is 3 years from the date of issue (Officer Options). The Officer Options will be issued to the Directors, the Chief Executive Officer and Company Secretary of the Company as an incentive-based component of their remuneration. Refer to Section 10.4 for the terms and conditions of the Officer Options.

2.

KEY OFFER INFORMATION

10. Comprising of:

- a) 1,500,000 Class A Performance Rights to be issued to Oro Plata under the Douglas Tenement Sale Agreement;
- a) 1,500,000 Class B Performance Rights to be issued to Providence under the Goschen Tenement Sale Agreement;
- a) 2,500,000 Class C Performance Rights and 750,000 Class D Performance Rights to be issued to Medallion under the Medallion Licensing Agreement.

Refer to Section 9.2.1, 9.2.2 and 9.3 for further detail regarding the terms and conditions of the Goschen Tenement Sale Agreement, the Douglas Tenement Sale Agreement and the Medallion Licensing Agreement.

The Class A Performance Rights will vest upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 60 million tonnes (Mt) of heavy mineral sands (HMS) concentrate @ 4.0% HMS or greater at either of the tenements of the Douglas Project, as signed off by a competent person.

The Class B Performance Rights will vest upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 10Mt of heavy mineral sands (HMS) concentrate @ 2.0% HMS or greater on the Goschen Central Project, as signed off by a competent person.

The Class C Performance Rights will vest upon the completion of the construction of a pilot processing plant of a size and scale as an independent technical consultant deems appropriate to demonstrate the technical and economic viability of the MMP Technology.

The Class D Performance Rights will vest upon a mineral sand monazite processing refinery which has 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 Company and Medallion.

Refer to Section 10.5.1 and 10.6.1 for the full terms and conditions of the Performance Rights.

- 11. This does not include 600,000 deferred consideration shares (**Deferred Consideration Shares**) to be issued to the Fish Hawk Vendors pursuant to the Fish Hawk Share Sale Agreement. Refer to Section 9.2.3 for further detail regarding the terms and conditions of the Fish Hawk Share Sale Agreement.
- 12. This table does not include the offer of Loyalty Options that the Company intends to offer to Shareholders within 2 months of the Company's Admission. Refer to Section 5.10 for details.

HOW TO INVEST

Applications for Securities can only be made by completing and lodging an Application Form. Instructions on how to apply for Securities are set out in Section 4.6 and on the Application Form.



3. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further Information
A. Company		
Who is the issuer of this Prospectus?	ACDC Metals Ltd (ACN 654 049 699) (Company or ACDC).	Section 5.1
Who is the Company?	<p>The Company is an Australian unlisted public company incorporated on 28 September 2021. The Company has two wholly owned subsidiaries:</p> <ul style="list-style-type: none"> a) ACDC Metals Operations Pty Ltd (ACN 651 911 787) (ACDC Metals); and b) ACDC Metals Technology Pty Ltd (ACN 654 064 534) (ACDC Technology). <p>Since incorporation, the Company, via the Subsidiaries, has entered into a number of agreements in respect of the acquisition of mineral projects located in Victoria and the licensing of a mineral processing technology.</p>	Section 5.1
What is the Company's interest in the Projects?	<p>Upon completion of the Acquisition Agreements, the Company, via ACDC Metals, will hold interests in the following projects:</p> <ul style="list-style-type: none"> a) the Goschen Central heavy mineral sands project, comprised of granted exploration licence EL5278 located in Victoria (Goschen Central Project) (80%); b) the Douglas heavy mineral sands project, comprised of granted exploration licences EL7544 and EL7545 located in Victoria (Douglas Project) (80%); and c) the Watchem heavy mineral sands project, comprised of exploration licence applications ELA7642 and ELA7932 (Watchem Project) (100%), <p>(together, the Projects).</p>	Section 5.1 and Annexure A

3. INVESTMENT OVERVIEW

Item	Summary	Further Information
What is the Medallion Monazite Processing technology?	<p>In addition to the Projects, the Company, via ACDC Technology, has been granted an exclusive licence to commercially operate the Medallion Monazite Processing technology (MMP Technology) in Victoria, South Australia, Northern Territory and New South Wales under the Medallion Licensing Agreement with Medallion Resources Ltd (TSXV:MDL) (Medallion).</p> <p>The MMP Technology is a pre-piloting process that aims to efficiently extract REE from monazite.</p> <p>The MMP Technology is an updated and modernised version of the commercially established caustic crack and acid leach process employed to recover REE from monazite sand.</p> <p>The MMP Technology seeks to produce a mixed REE concentrate, which is a saleable product that is also suitable to be directly fed into a conventional solvent extraction circuit or an emerging separation platforms, such as the Ligand Assisted Displacement Chromatography Process technology (LAD Technology). Medallion exclusively licenses the LAD Technology from the Purdue Research Foundation. The LAD Technology aims to separate REEs from all raw material feed stocks (excluding coal sources, recycled materials from manufacturing wastes and recyclates from battery and magnet sources). Medallion and the Company have agreed to collaborate to develop the LAD Technology.</p>	Section 5.3.2 and 5.5.2

B. Business Model

What is the Company's business model?	<p>Following the Company's Admission, the Company's proposed business model will be to focus on exploration and development of mineral resource opportunities, and specifically exploration and development of the Projects.</p> <p>Undertaking the development of each Project will be done in conjunction with developing and advancing the MMP Technology with an aim to process of monazite products from the Projects or from third party material purchased in the market.</p> <p>The Company proposes to fund its exploration activities over the first two years following listing as outlined in the table at Section 5.7.</p> <p>A detailed explanation of the Company's business model and strategy post-Admission is provided at Section 5.4 and a summary of the Company's proposed exploration and development programs is set out at Section 5.5.</p>	Section 5.4
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3. INVESTMENT OVERVIEW

Item	Summary	Further Information
What are the key business objectives of the Company?	<p>The Company's main objectives upon Admission will be to systematically explore and seek to develop each of the Projects and in parallel advance the MMP Technology, by undertaking the following:</p> <ul style="list-style-type: none">a) fieldwork, geological mapping and geophysical interpretation of existing remote sensing data, to refine exploration models;b) drilling programs over the Tenements to test the exploration models and targets;c) characterisation of samples from the Projects, followed by advanced testing of the MMP Technology on monazite sourced from the Projects;d) implementing a growth strategy and assess other mineral exploration and resource opportunities which have the potential to generate growth and value for Shareholders; ande) provide working capital.	Section 5.4
What are the key dependencies of the Company's business model?	<p>The key dependencies influencing the viability of the Company's business model are:</p> <ul style="list-style-type: none">a) completing the Acquisitions;b) maintaining title to the Tenements and complying with the Medallion Licensing Agreement;c) the Company's ability to obtain and retain all necessary approvals (including any regulatory or third-party approvals) required to undertake its proposed exploration programs;d) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;e) retaining and recruiting key personnel skilled in the mining and resources sector;f) sufficient worldwide demand for REE and HMS products that the Company may produce;g) the market price of REE and HMS products remaining higher than the Company's costs of any future production (assuming successful exploration and development of the Projects by the Company); andh) minimising environmental impacts and complying with environmental and health and safety requirements.	Section 5.6

3. INVESTMENT OVERVIEW

Item	Summary	Further Information
C. Key Advantages		
What are the key advantages of an investment in the Company?	<p>The Directors are of the view that an investment in the Company provides the following non-exhaustive list of advantages:</p> <ul style="list-style-type: none"> a) subject to raising the Full Subscription, the Company will have sufficient funds to implement its exploration strategy; b) the Company will hold a portfolio of quality assets located in Victoria considered by the Board to be highly prospective for HMS which contain REE; c) the Company will have the right to develop and advance the MMP Technology that it has an exclusive licence to for the extraction of REE products from monazite, which, subject to successful outcomes, has the ability to create an integrated business model; and d) a highly credible and experienced team to progress exploration and accelerate potential development of the Projects. 	Section 5
D. Key Risks		
What are the key risks for the Company?	An investment in the Company should be considered highly speculative. Set out below is a summary of some of the key risks which apply to an investment in the Company. Investors should refer to Section 7 for a more detailed summary of the risks for the Company and its operations.	Section 7
Limited History	The Company has limited operating history and limited historical financial performance. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenements or the development of the MMP Technology. Until the Company is able to realise value from its Projects or the MMP Technology, it is likely to incur ongoing operating losses.	Section 7.2
Contractual risk	<p>The Company's interests in the Projects and the MMP Technology are subject to contracts with Providence, Oro Plata, the Fish Hawk Vendors and Medallion. The ability of the Company to achieve its stated objectives will depend on performance by the parties of their obligations under the Acquisition Agreements and the Medallion Licensing Agreement.</p> <p>If the Company is unable to satisfy its undertakings under these agreements, the Company's interests in their subject matter may be jeopardised. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p>	Section 7.2



3.

INVESTMENT OVERVIEW

Item	Summary	Further Information
Technology risks	<p>The MMP Technology has been tested to bench scale and is now in pre-pilot stage and has not been proven at a commercial scale.</p> <p>The initial testing activities planned to be conducted will be of a confirmatory nature to establish the efficacy of the MMP Technology on resources originated from south-eastern Australian HMS, which will enable MMP Technology's operating parameters and conditions to be fine-tuned to the specific requirements of both the Company's Projects' monazite and potential feedstock from third parties seeking to utilise the technology. There is a possibility that the MMP Technology may not be suitable for monazite sourced from the Company's Projects and resources originated from south-eastern Australian HMS.</p> <p>Additionally, further laboratory and engineering studies are required to advance the MMP Technology to higher readiness levels, which are likely necessary to support the financing or successful commercial development of a MMP Technology plant. There is no certainty the results of such work will validate the results achieved to date. Any proposed development will be subject to risks usual with this type of development including but not limited to scale up risk, cost increases and commissioning risks.</p>	Section 7.2
LAD Technology	<p>Pursuant to the Medallion Licensing Agreement, Medallion and ACDC have agreed to collaborate on advancing REE separation using the LAD Technology or other suitable technology to process mixed REE concentrate, on terms that would be set forth in a separate agreement.</p> <p>There is no guarantee that ACDC and Medallion will enter into a formal and binding agreement to fully document the terms of the collaboration between the parties and the collaboration between ACDC and Medallion to advance the LAD Technology may never eventuate.</p> <p>Further, the LAD Technology is at an early stage of development and there is no guarantee that it will be proven at a commercial scale, and any proposed development will be subject to scale up risk, cost increases and commissioning risk.</p>	Section 7.2

3.

INVESTMENT OVERVIEW

Item	Summary	Further Information
Exploration and operations	The Tenements comprising the Projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance given that the exploration activities conducted by the Company will result in the discovery of mineral deposits of sufficient size and/or scale to warrant production or that, should the Company locate such a deposit, it will be in a position to commence production activities in a reasonable period of time, if at all.	Section 7.2
Access and Third Party Interest	A number of the Tenements respectively overlap certain third party interests that may limit the Company's ability to conduct, exploration and mining activities. There is a substantial level of regulation and restriction on the ability of exploration and mining companies have access to land in Australia. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.	Section 7.2
Application and Renewal	The Tenements forming the Watchem Project are currently under application. There can be no assurance that the Tenements in application status that are currently pending will be granted. Mining and exploration tenements are subject to periodic renewal. The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Victoria and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted Tenement for reasons beyond the control of the Company could be significant.	Section 7.2
Funding	<p>The funds raised under the Public Offer are considered sufficient to meet the key objectives of the Company. In the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, the initial MMP Technology test work is successful, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.</p> <p>The Company may undertake additional offerings of Securities in the future and has indicated that it will undertake an issue of Loyalty Options within the first 2 months following listing. As a result of the issue of the additional Shares on exercise of Options, the interests of existing Shareholders may be diluted.</p>	Section 7.4



3. INVESTMENT OVERVIEW

Item	Summary	Further Information
Commodity and currency price	If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Furthermore, international prices of various commodities are typically denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.	Section 7.4
Other risks	For additional specific risks please refer to Section 7.2. For other risks with respect to the industry in which the Company operates and general investment risks, many of which are largely beyond the control of the Company and its Directors, please refer to Sections 7.3 and 7.4.	Sections 7.2, 7.3 and 7.4

E. Board and Key Management

Who are the Directors?	<p>The Board is currently comprised of:</p> <ul style="list-style-type: none"> a) Andrew Shearer – Non-Executive Chairman; b) Mark Saxon – Executive Director; c) Ivan Fairhall – Non-Executive Director; and d) Richard Boyce – Non-Executive Director <p>Information about the experience, background and independence of each Director is set out in Section 8.1.</p>	Section 8.1
Who are the Key Management Personnel?	<p>The Company's other key management personnel are as follows:</p> <ul style="list-style-type: none"> a) Thomas Davidson – Chief Executive Officer; and b) Tamara Barr – Company Secretary. <p>The biographies of each of the key management personnel are set out in Section 8.2.</p>	Section 8.2

3. INVESTMENT OVERVIEW

Item	Summary	Further Information
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F. Significant Interests of Key People and Related Party Transactions

What interests do the Directors have in the securities of the Company?

The table below sets out the direct and indirect interests of the Directors in the Securities of the Company both as at the date of this Prospectus and following completion of the Public Offer and Acquisitions.

Section 8.4

As at the date of Prospectus

Director	Shares	Options	(%)	
			Undiluted	Fully Diluted
Andrew Shearer	2,100,000 ¹	-	12.32%	12.32%
Mark Saxon	2,100,000 ²	-	12.32%	12.32%
Ivan Fairhall	200,000 ³	-	1.17%	1.17%
Richard Boyce	350,000 ⁴	-	2.05%	2.05%

Notes: Please refer to Section 8.4 for notes relating to the above table.

On completion of Public Offer and Acquisitions

Director	Shares	Options ¹	Full Subscription (%)	
			Undiluted	Fully Diluted
Andrew Shearer	2,100,000 ²	1,250,000	4.63%	3.80%
Mark Saxon	2,100,000 ³	1,250,000	4.63%	3.80%
Ivan Fairhall	200,000 ⁴	600,000	1.11%	0.91%
Richard Boyce	350,000 ⁵	600,000	1.31%	1.08%

Notes: Please refer to Section 8.4 for notes relating to the above table.

In addition, the Directors (and their spouses and associates) may apply for Shares under the Public Offer. If one or more of the Directors (or their associates) do apply for, and are allocated, Shares under the Public Offer, their relevant interest in the Company (as illustrated in the above table) will increase.



3. INVESTMENT OVERVIEW

Item	Summary	Further Information																					
What significant benefits are payable to the Directors in connection with the Company or the Public Offer?	The benefits being paid to the Directors are set out below:	Section 8.4																					
	<table border="1"> <thead> <tr> <th>Director</th> <th>Remuneration for the year ending 30 June 2023¹</th> <th>Remuneration for the year ending 30 June 2024²</th> </tr> </thead> <tbody> <tr> <td>Andrew Shearer</td> <td>35,210</td> <td>65,000</td> </tr> <tr> <td>Mark Saxon</td> <td>41,440</td> <td>76,500³</td> </tr> <tr> <td>Ivan Fairhall</td> <td>24,650</td> <td>45,500</td> </tr> <tr> <td>Richard Boyce</td> <td>24,650</td> <td>45,500²</td> </tr> </tbody> </table>	Director	Remuneration for the year ending 30 June 2023 ¹	Remuneration for the year ending 30 June 2024 ²	Andrew Shearer	35,210	65,000	Mark Saxon	41,440	76,500 ³	Ivan Fairhall	24,650	45,500	Richard Boyce	24,650	45,500 ²							
	Director	Remuneration for the year ending 30 June 2023 ¹	Remuneration for the year ending 30 June 2024 ²																				
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Richard Boyce	24,650	45,500 ²																					
Notes: Please refer to Section 8.4 for notes relating to the above table.																							
Who are the Company's substantial Shareholders, what interest will they have after completion of the Public Offer and who will the Company's substantial shareholders be on completion of the Public Offer?	Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Public Offer and the Acquisitions is set out in the respective tables below.	Section 5.9																					
	<p>As at the date of Prospectus</p> <p>The following person has a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus:</p>																						
	<table border="1"> <thead> <tr> <th rowspan="2">Shareholder</th> <th rowspan="2">Shares</th> <th rowspan="2">Options</th> <th colspan="2">Percentage (%)</th> </tr> <tr> <th>Undiluted</th> <th>Fully Diluted</th> </tr> </thead> <tbody> <tr> <td>Medallion Resources Ltd</td> <td>4,800,000</td> <td>-</td> <td>28.15%</td> <td>28.15%</td> </tr> <tr> <td>Andrew Shearer and Associates¹</td> <td>2,100,00</td> <td>-</td> <td>12.32%</td> <td>12.32%</td> </tr> <tr> <td>Mark Saxon and Associates</td> <td>2,100,000</td> <td>-</td> <td>12.32%</td> <td>12.32%</td> </tr> </tbody> </table>	Shareholder	Shares	Options	Percentage (%)		Undiluted	Fully Diluted	Medallion Resources Ltd	4,800,000	-	28.15%	28.15%	Andrew Shearer and Associates ¹	2,100,00	-	12.32%	12.32%	Mark Saxon and Associates	2,100,000	-	12.32%	12.32%
Shareholder	Shares				Options	Percentage (%)																	
		Undiluted	Fully Diluted																				
Medallion Resources Ltd	4,800,000	-	28.15%	28.15%																			
Andrew Shearer and Associates ¹	2,100,00	-	12.32%	12.32%																			
Mark Saxon and Associates	2,100,000	-	12.32%	12.32%																			
Please refer to Section 5.9 for notes relating to the above table.																							

3. INVESTMENT OVERVIEW

Item	Summary	Further Information												
	<p>On completion of the Public Offer and Acquisitions</p> <p>Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Public Offer with Full Subscription (assuming no existing Substantial Shareholders subscribe and receive additional Shares pursuant to the Public Offer) and the Acquisitions, the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:</p> <table border="1"> <thead> <tr> <th rowspan="2">Shareholder</th> <th rowspan="2">Shares</th> <th rowspan="2">Options</th> <th colspan="2">Percentage (%)</th> </tr> <tr> <th>Undiluted</th> <th>Fully Diluted</th> </tr> </thead> <tbody> <tr> <td>Medallion Resources Ltd</td> <td>12,800,000</td> <td>-</td> <td>17.70%</td> <td>18.22%</td> </tr> </tbody> </table> <p>Please refer to Section 5.9 for notes relating to the above table.</p>	Shareholder	Shares	Options	Percentage (%)		Undiluted	Fully Diluted	Medallion Resources Ltd	12,800,000	-	17.70%	18.22%	Section 5.9
Shareholder	Shares				Options	Percentage (%)								
		Undiluted	Fully Diluted											
Medallion Resources Ltd	12,800,000	-	17.70%	18.22%										
Who is the lead manager to the Public Offer?	<p>The Company has appointed PAC as lead manager to the Public Offer (Lead Manager). In consideration for its services to the Company, the Lead Manager will receive:</p> <ul style="list-style-type: none"> a) a lead management fee of 2% of all funds raised under the Public Offer; b) a selling fee of 4% on the Lead Manager's allocation to the Public Offer or as otherwise mutually agreed; and c) 5,000,000 Options, exercisable at \$0.30 each, on or before the date of issue of the Options and expiring on that the date that is three years from the date of issue of the Options (Lead Manager Options). <p>Refer to Sections 4.4 and 9.1.1 for further details regarding the fees payable to the Lead Manager and the terms and conditions of the Lead Manager Mandate.</p>	Section 4.4												
What are the significant interests of advisers to the Company?	<p>PAC Partners has acted as the Lead Manager to the Public Offer and will receive fees under the Lead Manager Mandate described in Section 4.4 and 9.1.1 as summarised under Part F of this Investment Overview Section below.</p>	Section 4.4 and 9.1.1												



3. INVESTMENT OVERVIEW

Item	Summary	Further Information
What other allocations will be made under the Public Offer?	<p>Under the Medallion Licensing Agreement, Medallion (and/or its nominee) has a right to subscribe for up to 20% of the Shares to be issued under the Public Offer. As such, Medallion will be given preference in respect of the allocation of up to 8,000,000 Shares.</p> <p>As at the date of this Prospectus, Medallion has not advised the Company on the extent of its participation, if at all.</p> <p>Refer to Section 5.9 for further details regarding the substantial Shareholders of the Company.</p>	Section 4.7
Is there an employee incentive securities plan?	The Company has adopted an Employee Incentive Securities Plan to allow eligible participants to be granted securities in the Company. The key terms of the Plan are set out in Section 10.7.	Section 10.7
Are there any related party transactions?	<p>The Company has entered into the Goschen Tenement Sale Agreement with Providence, a related party of the Company by virtue of being an entity controlled by former Director, Mr Thomas Burrowes. The Company has also entered into the Douglas Tenement Sale Agreement with Oro Plata, a related party of the Company by virtue of being an entity controlled by former Director, Mr Michael Hudson.</p> <p>The Company has entered into letters of appointment with Andrew Shearer, Ivan Fairhall and Richard Boyce. The Company has also entered into deed of indemnity, insurance and access with each of the Directors.</p> <p>Further detail regarding the related party agreements is set out in Section 9.3 and 9.4.</p>	Section 9.2.1, 9.2.2 and 9.4

G. Financial Information and Dividend Policy

How has the Company been performing?	The audited historical financial information of the Company (including its subsidiaries) and Fish Hawk for the period ended 30 June 2020 (as applicable) to the period ended 30 June 2022 is set out in Section 6 and Annexure C.	Section 6 and Annexure C
What is the financial outlook for the Company?	<p>Given the current status of the Company's Projects and the speculative nature of its business, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 6 and Annexure C

3. INVESTMENT OVERVIEW

Item	Summary	Further Information
What is the Company's dividend policy?	<p>Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects and the MMP Technology. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first two-year period following the Company's Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's Admission.</p> <p>In determining whether to declare future dividends, the Directors will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.</p> <p>The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends.</p>	Section 5.12

H. Capital Structure

Who are the existing Shareholders of the Company?	<p>The existing Shareholders of the Company include founder seed capitalists and certain Board members (and/or their associates).</p> <p>The current capital structure of the Company is detailed in Section 5.8.</p>	Section 5.8
What will the Company's capital structure be on completion of the Public Offer and listing on ASX?	On completion of the Public Offer (assuming Full Subscription), the Acquisitions and the Company's listing on ASX, the Company will have 72,305,130 Shares, 9,550,000 Options and 6,250,000 Performance Rights on issue.	Section 5.8



3. INVESTMENT OVERVIEW

Item	Summary	Further Information
I. Overview of the Public Offer		
What is the Offer?	The Public Offer is an offer of 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000 (before costs).	Section 4.1
Why is the Public Offer being conducted?	<p>The Public Offer is being conducted primarily to:</p> <ul style="list-style-type: none"> a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission; b) provide the Company with funding for: <ul style="list-style-type: none"> i. the proposed exploration and development programs at the Projects (as further detailed in Section 5; ii. the proposed testing of the MMP Technology (as further detailed in sections 5.3.2 and 5.5.2); iii. evaluating acquisition opportunities that may be presented to the Board from time to time; and iv. the Company's working capital requirements while it is implementing its business strategies; c) provide the Company with access to capital markets to improve capital management flexibility; d) provide the Company with the benefits of an increased profile that arises from being a listed entity; e) broaden the Company's shareholder base and provide a liquid market for the Shares; and f) pay transaction costs associated with the Public Offer. 	Section 4
What is the proposed use of funds raised under the Public Offer?	<p>The Company intends to apply funds raised under the Public Offer as set out in Section 5.7 to advance the Company's main objectives upon Admission.</p> <p>The Board is satisfied that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives as detailed in this Prospectus.</p>	Section 5.7
What is the Offer Price?	The price payable under the Public Offer is \$0.20 per Share.	Section 4.1

3. INVESTMENT OVERVIEW

Item	Summary	Further Information
What rights and liabilities attach to the Shares being offered?	A summary of the material rights and liabilities attaching to the Shares offer under the Public Offer are set out in Section 10.2.	Section 10.2
Is the Public Offer underwritten?	No, the Public Offer is not underwritten.	Section 4.3
Are there any conditions to the Public Offer?	<p>The Public Offer is conditional on:</p> <ul style="list-style-type: none"> a) the Full Subscription to the Public Offer being reached; and b) ASX granting conditional approval for the Company to be admitted to the Official List, (together, the Conditions). <p>The Public Offer will only proceed if all Conditions are satisfied. Further details are set out in Section 4.5.</p>	Section 4.5
Who is eligible to participate in the Public Offer?	<p>This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or invitation or to issue this Prospectus.</p> <p>The Shares may be offered outside Australia to Institutional Investors.</p> <p>The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.</p>	Section 4.10
How can I apply for Shares?	<p>The process for applying for Shares in the Company is set out in Section 4.6.</p> <p>Applications for Shares under the Public Offer must be made by completing the Application Form attached to, or accompanying, this Prospectus in accordance with the instructions set out in Section 4.6 and the Application Form.</p>	See Section 4.6
What is the allocation policy?	<p>The allocation of Shares under the Public Offer will be determined by the Company in consultation with the Lead Manager having regard to the allocation policy set out in Section 4.7.</p> <p>No assurance can be given that any applicant will be allocated all or any Shares applied for.</p>	Section 4.7



3.

INVESTMENT OVERVIEW

Item	Summary	Further Information
Will any Shares be subject to escrow?	<p>None of the Shares issued under the Public Offer will be subject to escrow.</p> <p>However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Public Offer, certain Securities on issue may be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation.</p> <p>During the period in which restricted Securities are prohibited from being transferred, trading in Shares may be less liquid, which may impact on the ability of a Shareholder to dispose of the Shares in a timely manner.</p> <p>The Company will announce to ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.</p> <p>The Company confirms its 'free float' (the percentage of the Shares that are not restricted and are held by shareholders who are not related parties (or their associates) of the Company at the time of Admission) will be not less than 20% in compliance with ASX Listing Rule 1.1 Condition 7.</p>	Section 5.11
Will the Shares be quoted on ASX?	Application for quotation of all Securities to be issued under the Public Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 4.8
What are the key dates of the Public Offer?	The key dates of the Public Offer are set out in the indicative timetable in Section 2.	Section 2
What is the minimum application size under the Public Offer?	Applications for Shares under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.20 per Share.	Section 4.6

3. INVESTMENT OVERVIEW

Item	Summary	Further Information
J. Additional information		
Is there any brokerage, commission or duty payable by applicants?	<p>No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Public Offer.</p> <p>However, the Company will pay the Lead Manager 6% (ex GST) of the total amount raised under the Prospectus (a capital raising fee of 4% and a management fee of 2%).</p>	Section 9.1.1
Can the Public Offer be withdrawn?	<p>Yes. The Company reserves the right not to proceed with the Public Offer at any time before the issue of Shares to successful applicants.</p> <p>If the Public Offer does not proceed, application monies will be refunded (without interest).</p>	Section 4.13
What are the tax implications of investing in Shares?	<p>The acquisition and disposal of Shares will have consequences, which will differ depending on the individual financial affairs of each investor. Holders of Shares may be subject to capital gains tax on future disposals of Shares subscribed for under this Prospectus. It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p>	Section 4.12
What are the corporate governance principles and policies of the Company?	<p>To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations).</p> <p>Prior to listing on the ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.</p>	Section 8.6
Can general meetings of shareholders be held using technology?	<p>The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.</p>	Section 10.2
Where can I find more information about this Prospectus or the Public Offer?	<p>a) By speaking to your accountant, financial adviser, stockbroker, lawyer or other professional adviser;</p> <p>b) By contacting the Company Secretary on +61 (0) 422 266 570; or</p> <p>c) By contacting the Share Registry on +61 (2) 9698 5414.</p>	

This Section is a summary only and is not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.



4.

DETAILS OF THE OFFERS

4.1 The Offer

4.1.1 The Public Offer

The Public Offer is an initial public offering of 40,000,000 Shares at an issue price of \$0.20 per Share to raise \$8,000,000 (**Full Subscription**).

All Shares offered under this Prospectus will be fully paid and will rank equally with the existing Shares currently on issue. Please refer to Section 10.2 for a summary of the material rights and liabilities attaching to the Shares.

If the Full Subscription has not been raised within four months after the date of this Prospectus or such period as varied by the ASIC, no Shares will be issued under the Public Offer and the Company will repay all application monies for the Securities within the time prescribed under the Corporations Act, without interest.

The Public Offer is made on the terms and is subject to the conditions set out in this Prospectus.

4.1.2 The Lead Manager Options Offer

The Lead Manager Options Offer is an offer of a total of 5,000,000 Lead Manager Options, exercisable at \$0.30 each, on or before 3 years from the date of issue of the Options, to the Lead Manager.

The Lead Manager Options issued under the Lead Manager Options Offer will be issued on the terms and conditions set out in Section 10.3. The Lead Manager Options issued under the Lead Manager Options Offer will not be quoted, however, the Company will apply for quotation of all Shares issued upon exercise of the Lead Manager Options.

Only the Lead Manager may accept the Lead Manager Options Offer. A personalised Application Form in relation to the Lead Manager Options Offer will be issued to the Lead Manager, together with a copy of this Prospectus.

All Lead Manager Options are expected to be restricted from trading for 24 months from the date of the Official Quotation in accordance with the ASX Listing Rules. A summary of the anticipated application of escrow to the Company's securities is set out in Section 5.11.

4.1.3 The Officer Options Offer

The Officer Options Offer is an offer of a total of 4,550,000 Officer Options, exercisable at \$0.30 each, on or before the date that is 3 years from the date of issue to the Directors, Chief Executive Officer and Company Secretary of the Company.

The Officer Options issued under the Officer Options Offer will be issued on the terms and conditions set out in Section 10.4. The Officer Options issued under the Officer Options Offer will not be quoted, however, the Company will apply for quotation of all Shares issued upon exercise of the Officer Options.

Only the Directors, Chief Executive Officer and Company Secretary may accept the Officer Options Offer. A personalised Application Form in relation to the Officer Options Offer will be issued to the Directors, Chief Executive Officer and Company Secretary, together with a copy of this Prospectus.

All Officer Options are expected to be restricted from trading for 24 months from the date of the Official Quotation in accordance with the ASX Listing Rules. A summary of the anticipated application of escrow to the Company's securities is set out in Section 5.11.

4.

DETAILS OF THE OFFERS

4.1.4 The Performance Rights Offer

The Performance Rights Offer is an offer of 6,250,000 Performance Rights (comprising 1,500,000 Class A Performance Rights to be issued to Oro Plata, 1,500,000 Class B Performance Rights to be issued to Providence and 2,500,000 Class C Performance Rights and 750,000 Class D Performance Rights to be issued to Medallion).

The Performance Rights issued under the Performance Rights Offer will be issued on the terms and conditions set out in Sections 10.5.1 and 10.6.1. The Performance Rights issued under the Performance Rights Offer will not be quoted, however, the Company will apply for quotation of all Shares issued upon exercise of the Performance Rights.

Only Oro Plata, Providence and the Medallion may accept the Performance Rights Offer. A personalised Application Form in relation to the Performance Rights will be issued to Oro Plata, Providence and Medallion, together with a copy of this Prospectus.

All Performance Rights are expected to be restricted from trading for 24 months from the date of the Official Quotation in accordance with the ASX Listing Rules. A summary of the anticipated application of escrow to the Company's securities is set out in Section 5.11.

4.2 Purpose of the Offers

The primary purposes of the Offers are to:

- a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules to facilitate the Company's application for Admission;
- b) provide the Company with funding for:
 - i. the proposed exploration and development programs at the Projects (as further detailed in Section 5);
 - ii. the proposed testing of the MMP Technology (as further detailed in section 5.3);
 - iii. evaluating acquisition opportunities that may be presented to the Board from time to time; and
 - iv. the Company's working capital requirements while it is implementing its business strategies;
- c) provide the Company with access to capital markets to improve capital management flexibility;
- d) provide the Company with the benefits of an increased profile that arises from being a listed entity;
- e) broaden the Company's shareholder base and provide a liquid market for the Securities;
- f) pay transaction costs associated with the Public Offer; and
- g) remove the need for an additional document to be issued upon the issue of any Shares that are to be issued under the Offers.

The Company intends to apply the funds raised under the Public Offer in the manner detailed in Section 5.7.



4.

DETAILS OF THE OFFERS

4.3 Not underwritten

The Public Offer is not underwritten.

4.4 Lead Manager

The Company has appointed PAC Partners (**Lead Manager**) as lead manager to the Public Offer. In consideration for its services, the Company has agreed to pay the Lead Manager the following fees to the Lead Manager:

- a) a lead management fee of 2% of all funds raised under the Public Offer;
- b) a selling fee of 4% on the Lead Manager's allocation to the Public Offer or as otherwise mutually agreed; and
- c) 5,000,000 Options, exercisable at \$0.30 each, on or before the date of issue of the Options and expiring on the date that is three years from the date of issue of the Options (**Lead Manager Options**).

The total value of the Options to be issued to the Lead Manager in connection with the Public Offer is \$497,500. Accordingly, the total value of the fees payable to the Lead Manager is \$977,500.

In the event that all Lead Manager Options to which the Lead Manager is entitled are exercised, an additional \$1,500,000 will be raised.

In the event the Full Subscription is raised, all Lead Manager Options held by the Lead Manager are exercised and no other Shares are issued, the Lead Manager would hold an interest of 6.92% of the total Shares on issue (being the maximum potential voting power of the Lead Manager).

For further information in relation to the appointment of the Lead Manager, please refer to Section 9.1.1.

4.5 Conditions of the Public Offer

The Public Offer is conditional upon the following conditions being satisfied:

- a) the Full Subscription to the Public Offer being reached; and
- b) ASX granting conditional approval for the Company to be admitted to the Official List,

(together, the **Conditions**).

If the Conditions are not satisfied then the Public Offer will not proceed and the Company will repay all application monies received under the Public Offer within the time prescribed under the Corporations Act, without interest.

4.

DETAILS OF THE OFFERS

4.6 Applications

Applications for Securities under the Public Offer must be made by using the relevant Application Form as follows:

- a) using an online Application Form at <https://apply.automic.com.au/ACDC> and paying the application monies electronically; or
- b) completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that all details and statements made by them are complete and accurate and that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

By completing an Application Form, each applicant under the Public Offer will be taken to have declared that:

- a) it understands that the offer and sale of the Shares and Options (including the underlying ordinary shares) has not been, and will not be, registered under the US Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- b) it is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor;
- c) it is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other person outside Australia; and
- d) it has not sent and will not send the Prospectus or any other material relating to the Public Offer to any person in the United States or elsewhere outside Australia.

Applications for Shares under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the Offer Price of \$0.20 per Share.

Completed Application Forms and accompanying cheques, made payable to “**ACDC Metals Ltd - IPO Account**” and crossed “**Not Negotiable**”, must be mailed or delivered to the address set out on the Application Form by no later than 5:00pm (AEDT) on the Closing Date, which is scheduled to occur on 9 December 2022.

If paying by BPAY® or EFT (Electronic Funds Transfer), please follow the instructions on the Application Form. A unique reference number will be quoted upon completion of the online application. Your BPAY or EFT reference number will process your payment to your application electronically and you will be deemed to have applied for such Securities for which you have paid. Applicants using BPAY or EFT should be aware of their financial institution’s cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date. You do not need to return any documents if you have made payment by BPAY or EFT.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company’s decision to treat an application as valid, or how to construe, amend or complete it, will be final.

The Company reserves the right to close the Public Offer early.



4.

DETAILS OF THE OFFERS

4.7 Allocation policy under the Public Offer

Under the Medallion Licensing Agreement, Medallion (and/or its nominee) has a right to subscribe for up to 20% of the Shares to be issued under the Public Offer. As such, Medallion will be given preference in respect of the allocation of up to 8,000,000 Shares.

As at the date of this Prospectus, Medallion has not advised the Company on the extent of its participation, if at all, and as such, this Prospectus has been prepared on the assumption that Medallion will subscribe for the full 20% of the Shares to be issued under the Public Offer and will be allocated the full 8,000,000 Shares under the Public Offer.

The Company, in consultation with the Lead Manager, retains an absolute discretion regarding the basis of allocation of Securities under the Public Offer and reserves the right, in its absolute discretion, to allot to any applicant a lesser number of Securities than the number for which the applicant applies for or to reject any application. If the number of Securities allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

Other than Medallion, no other applicant under the Public Offer has any assurance of being allocated all or any Securities applied for. The allocation of Securities by Directors (in consultation with the Lead Manager) will be influenced by the following factors:

- a) the number of Securities applied for by particular applicants;
- b) the overall level of demand under the Public Offer;
- c) the Company's desire for an informed and active trading market following its listing on ASX;
- d) the Company's desire to establish a wide spread of investors, including institutional investors;
- e) recognising the ongoing support of existing Shareholders;
- f) the likelihood that particular applicants will be long-term Shareholders;
- g) the desire for an informed and active market for trading Securities following the completion of the Public Offer;
- h) ensuring an appropriate Shareholder base for the Company going forward; and
- i) any other factors that the Company and the Lead Manager consider appropriate.

The Company will not be liable to any person not allocated Securities or not allocated the full amount applied for.

4.8 ASX listing

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not grant Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. Accordingly, the Shares may not be able to be traded for some time after the close of the Public Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares under the Public Offer and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under this Prospectus.

4.

DETAILS OF THE OFFERS

4.9 Issue

Subject to the Conditions set out in Section 4.5 being satisfied, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. However, the Company will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in consultation with the Lead Manager) will determine the recipients of the Shares in their sole discretion in accordance with the allocation policy detailed in Section 4.7). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares allocated to the Company's sponsored subregister and confirmation of allocation for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being allocated Shares under the Public Offer as soon as practicable after their issue.

4.10 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

Canada (British Columbia, Ontario and Quebec provinces)

This Prospectus constitutes an offering of Shares and Options only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom Shares and Options may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Provinces. This Prospectus may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this Prospectus, the merits of the Shares and Options or the offering of the Shares and Options and any representation to the contrary is an offence.



4.

DETAILS OF THE OFFERS

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares and Options or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares and Options in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares and Options.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this Prospectus has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Prospectus are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Shares and Options should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares and Options as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Prospectus, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares and Options (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

4.

DETAILS OF THE OFFERS

Ireland

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in Ireland or elsewhere in the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares and Options be offered for sale, in Ireland except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the “Prospectus Regulation”).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares and Options in Ireland is limited to persons who are “qualified investors” (as defined in Article 2(e) of the Prospectus Regulation).

Singapore

This Prospectus and any other materials relating to the Shares and Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares and Options, may not be issued, circulated or distributed, nor may the Shares and Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Shares and Options being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares and Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares and Options (including the underlying ordinary shares) have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares and Options (including the underlying ordinary shares) may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.



4.

DETAILS OF THE OFFERS

4.11 Commissions payable

The Company reserves the right to pay commissions of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commissions that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

4.12 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all prospective applicants. As such, all prospective investors in the Company are urged to obtain independent taxation and financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Securities under the Public Offer.

4.13 Discretion regarding the Public Offer

The Public Offer may be withdrawn at any time. If the Public Offer does not proceed, all relevant application monies will be refunded (without interest) in accordance with applicable laws.

The Company and the Lead Manager also reserve the right to close the Public Offer (or any part of it) early, extend the Public Offer (or any part of it), accept late applications either generally or in particular cases, reject any application or bid, or allocate to any applicant fewer Securities than applied for.

5.

COMPANY AND PROJECTS OVERVIEW

5.1 Background

The Company was incorporated as an Australian unlisted public company on 28 September 2021 for the purpose of undertaking early-stage mineral exploration and resource development, focusing on HMS and REE, located in Victoria, Australia.

The Company has two wholly owned subsidiaries, being:

- a) ACDC Metals Operations Pty Ltd (**ACDC Metals**), which was incorporated in Victoria in July 2021; and
- b) ACDC Metals Technology Pty Ltd (**ACDC Technology**), which was incorporated in Victoria in September 2021,

(together, the **Subsidiaries**).

Since the incorporation of the Company and its Subsidiaries:

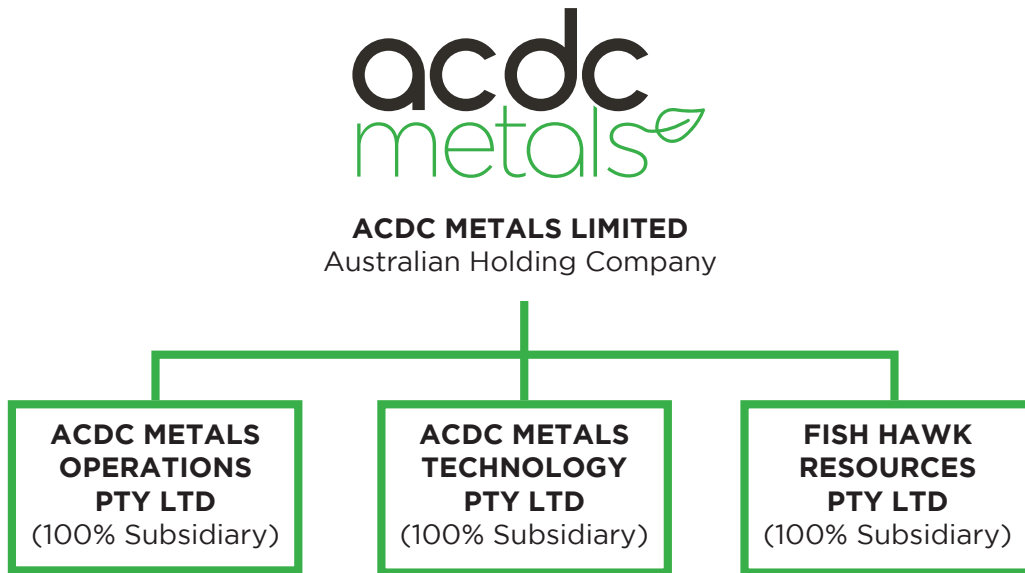
- a) ACDC Metals has entered into an acquisition agreement with Oro Plata Pty Ltd (**Oro Plata**) to acquire an initial 80% legal and beneficial interest in EL7544 and EL7545 (the **Douglas Project**) (**Douglas Tenement Sale Agreement**) (with Oro Plata's remaining 20% interest being free carried to successful completion of a definitive feasibility study);
- b) ACDC Metals has entered into an acquisition agreement with Providence Gold and Minerals Pty Ltd (**Providence**) to acquire an initial 80% legal and beneficial interest in EL5278 (**Goschen Central Project**) (**Goschen Tenement Sale Agreement**) (with Providence's remaining 20% interest being free carried to successful completion of a definitive feasibility study);
- c) ACDC Metals has entered into a share sale agreement with Fish Hawk Resources Pty Ltd (**Fish Hawk**) to acquire 100% of the fully paid ordinary shares of Fish Hawk, which holds 100% legal and beneficial interest in ELA7642 and ELA7932 (**Watchem Project**) (**Fish Hawk Share Sale Agreement**); and
- d) the Company and ACDC Technology have entered into a licensing agreement with Medallion Resources Ltd (**Medallion**), a Canadian listed public company (TSXV:MDL), under which the Company was granted an exclusive licence to commercially operate the Medallion Monazite Process technology (**MMP Technology**) in Victoria, South Australia, Northern Territory and New South Wales to extract REE from mineral sand monazite (**Medallion Licensing Agreement**). Under the Medallion Licensing Agreement, the Company has also agreed to collaborate with Medallion to advance the refining of mixed REE compounds to produce separated rare earth oxides (**REOs**) using the Ligand Assisted Displacement Chromatography Process technology (**LAD Technology**) (described in detail below).

The Douglas Project, the Goschen Central Project and the Watchem Project (together, the **Projects**) are considered highly prospective for HMS and REE (described in detail below).



5. COMPANY AND PROJECTS OVERVIEW

The corporate structure upon the Company’s Admission, subject to the satisfaction of the remaining conditions under the Fish Hawk Share Sale Agreement, will be as follows:



ACDC has an experienced board with Directors that have a strong track record in successful mineral exploration and project development, combined with extensive corporate experience developed over a number of successful transactions.

ACDC intends to explore the mineral sands assets in conjunction with advancing the MMP Technology.

5.2 Overview of Mineral Sands and the Projects

5.2.1 Mineral Sands

Mineral sands are a group of minerals such as ilmenite, rutile and zircon, commonly found together as coarse and fine grain sands. Originally formed as crystals in igneous rocks such as granite or basalt and some metamorphic rocks, these minerals were eroded by wind, rain and rivers over millions of years. The resulting grains washed down to the sea to become part of the coastal sands of ancient beaches. Tidal movements washed away the lighter mineral sand grains, such as quartz sands, leaving the heavier mineral sands on beachlines.

As the world’s oceans subsided, these deposits were left exposed. This natural weathering process formed the two main types of HMS deposits that exist today:

- a) coarser sands that remained on shorelines due to their larger size, which are often referred to as “strandline” deposits (**Strandline**); and
- b) finer mineral sands which typically settled in the basin of the ocean that are locally referred to as “Wimmera Industrial Minerals style” or “offshore” deposits (**WIM**).

WIM style deposits are generally larger overall than Strandline deposits.

5.

COMPANY AND PROJECTS OVERVIEW

5.2.1 Mineral Sands continued

The Murray Basin demonstrates this weathering process, where large deposits of HMS formed when heavy minerals entered the marine environment of the Murray Basin through river systems.

HMS provide important sources of valuable metals including zirconium and titanium. The minerals rutile, ilmenite, zircon and monazite are also commonly found in HMS deposits. HMS provide a suite of metals that are building blocks of objects we use every day, such as medical implants. Along with zirconium and titanium, HMS can also be a valuable source for REE.

The minerals monazite and xenotime are rich in REE. Advanced technology and low carbon energy generation, such as solar panels, wind turbines and battery storage, are large consumers of REE and are driving global demand for mineral sands and REE. Many of Australia's mineral sands deposits contain monazite and xenotime, which are potential sources of REEs.

5.2.2 Projects

Investors should note that the Company's Projects are at an early stage of development. The Company has not yet defined a JORC Code resource or reserve. There is no guarantee of exploration success on the Projects. Please refer to Section 7 for a detailed description of the risks applicable to an investment in the Company.

The Projects are located in the Murray Basin of south-eastern Australia, which is a low-lying, saucer-shaped intra-cratonic depression containing thin, flat-lying Cainozoic sediments. It extends approximately 850 km from east to west and 750 km from north to south, covering an area of 300,000 km² of south-western New South Wales, north-western Victoria and south-eastern South Australia.

The mineralisation style most prevalent across the Company's Projects is mineral sands containing valuable heavy minerals including zircon, rutile, leucoxene, ilmenite and monazite (which contain REE).

The Strandline style HMS generally contains higher grades of zircon and titanium and the WIM style HMS contains significant monazite content.

The Douglas Project's Tenements are characterised by being coarse grained with mean diameter grain size ranging from 130 Qm to 160 Qm, and the deposits at the Goschen Central Project and the Watchem Project are fine grained.

Based on previous exploration, the Projects have identified mineral sands identified zones of mineral sands mineralisation. The Watchem Project is a WIM style mineral sands project located in a region being developed by other parties for this style of deposit.

The Projects are located in western and northern Victoria (Figure 1), which is favourable for access and infrastructure. The Tenements are located on mostly private land and not subject to Native Title (except for EL7544 and ELA7642, which are subject to a Native Title determination. Refer to Solicitor's Report on Tenements as set out in Annexure B for further details), and road, rail access, and grid power are already well provided in the region. The area is almost totally cleared and used for dry land farming.



5. COMPANY AND PROJECTS OVERVIEW

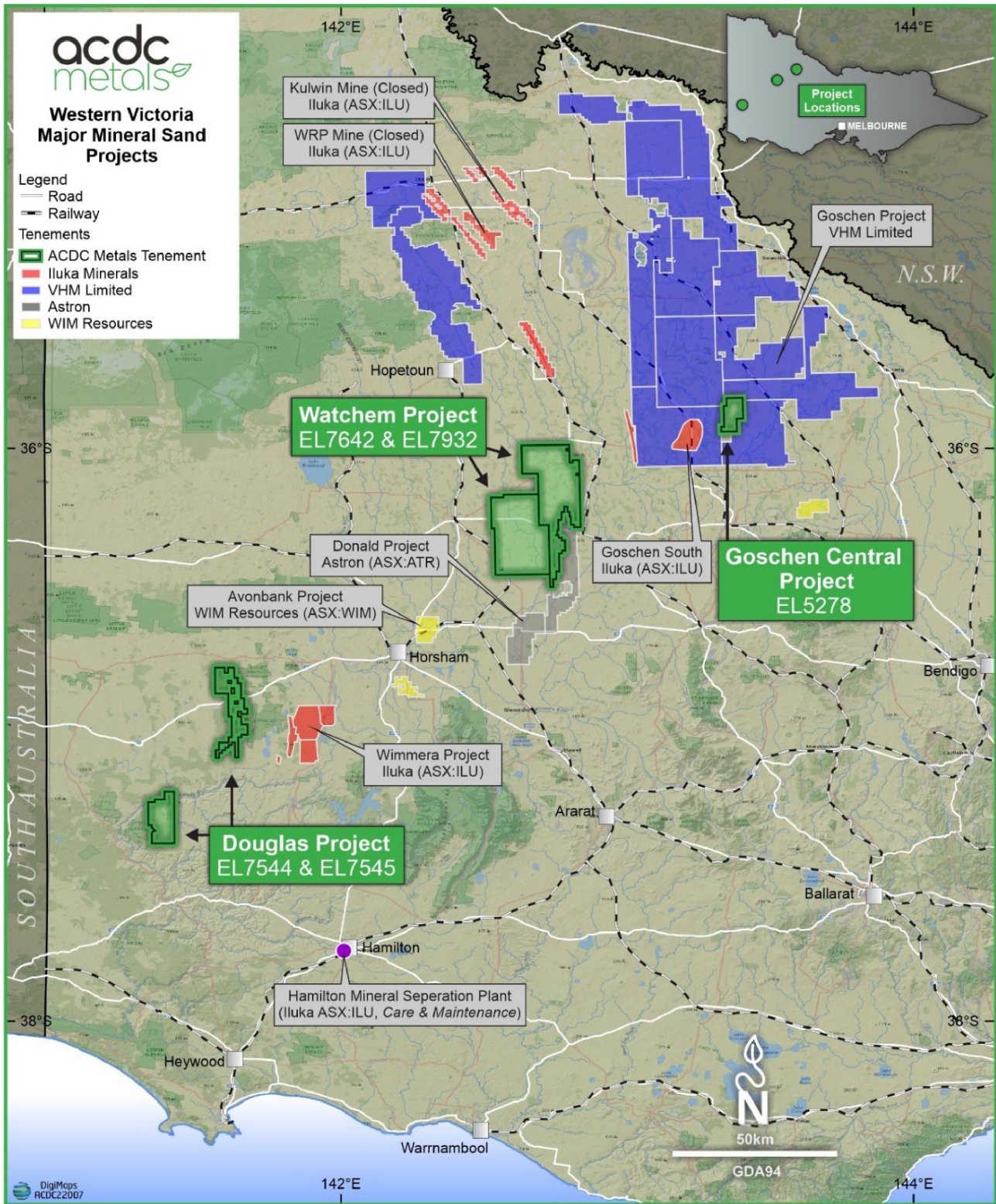


Figure 1: Location of the Mineral Sands Projects in western Victoria

5. COMPANY AND PROJECTS OVERVIEW

5.2.3 Goschen Central Project

The Goschen Central Project consists of EL5278 and is located approximately 50 km south-southwest of Swan Hill in northern Victoria. In the 1980s, drilling conducted by CRA Exploration Pty Ltd (**CRAE**) identified HMS mineralisation at the Goschen Central Project. Since then, modest drilling has been completed within the Goschen Central Project area.

The Goschen Central Project includes fine-grained sheet-style HMS mineralisation, interpreted to have been deposited in an off-shore environment. These fine-grained, off-shore HMS deposits in the Murray Basin are often referred to as WIM-style deposits.

Previous work on the Goschen Central Project was undertaken by CRAE in the late 1980s and early 1990s, when WIM-style deposits were considered attractive exploration targets within the Murray Basin. Early drilling was widely spaced (1,000m to 2,000m) to effectively identify high-grade, coarse-grained (>90 Qm) strands that are often associated with the deeper “offshore” style WIM-style deposits. CRAE carried out extensive exploration for HMS in the Goschen Central Project area in 1998.

CRAE defined a large lobate WIM-style HMS deposit within the south-west quadrant of the then EL4056. CRAE determined the mineralogy of mineral sand concentrates using optical microscopy and grain counting.

Probo Mining Ltd reviewed an area similar to EL5278 in 2002 where the average HMS thickness was 5.5 m beneath an average overburden depth of 26 m. Zircon grades were estimated to be 20% to 27% with additional rare earth and titanium minerals complementing the mineral suite.

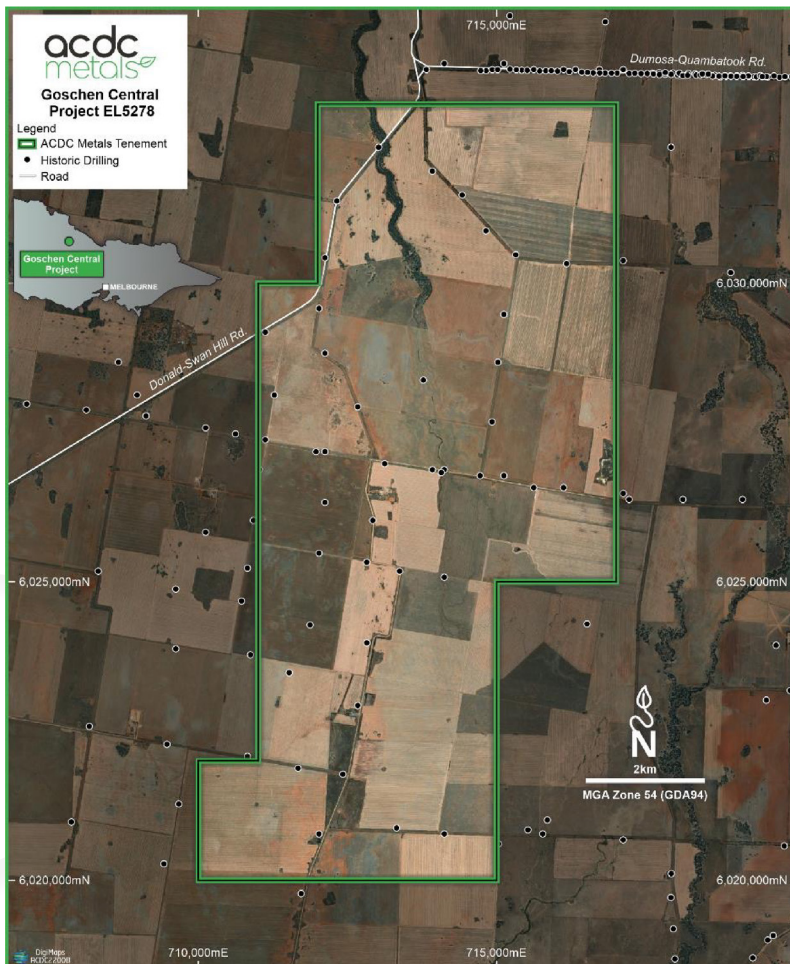


Figure 2: The Goschen Central Project, Tenement EL5278



5. COMPANY AND PROJECTS OVERVIEW

5.2.4 Douglas Project

The Douglas Project consists of two Tenements, being EL7544 and EL7545.

EL7544 is located in western Victoria, approximately 55 km west-southwest of Horsham and access to this tenement is via the Wimmera Highway to the west from Horsham with a good network of local roads.

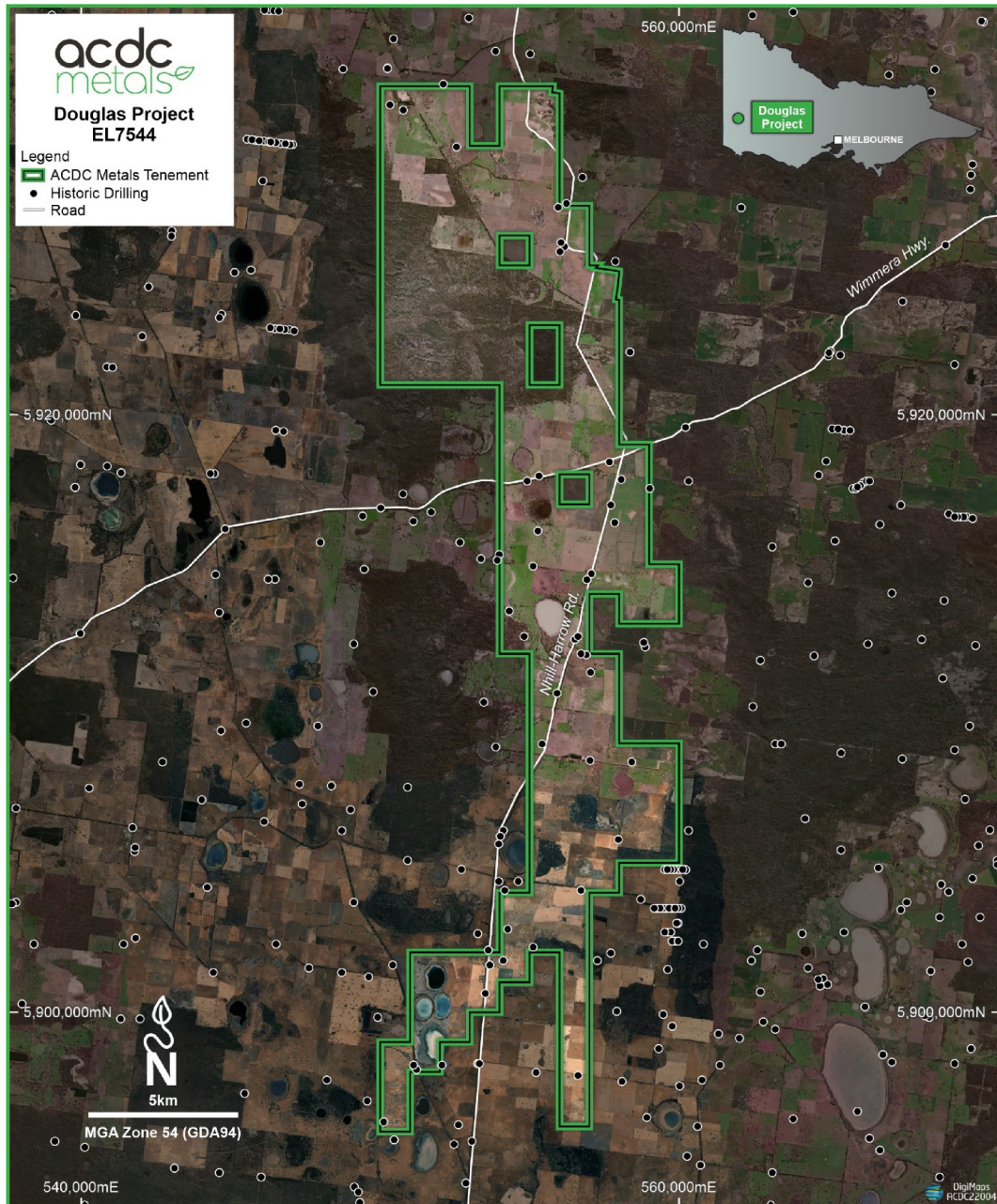


Figure 3: Douglas Project, Tenement EL7544

EL7545 is located in western Victoria, approximately 43 km south of Edenhope. Access to this tenement is via Harrow Road, then Casterton-Edenhope Road south from Edenhope with a good network of local roads.

5.

COMPANY AND PROJECTS OVERVIEW

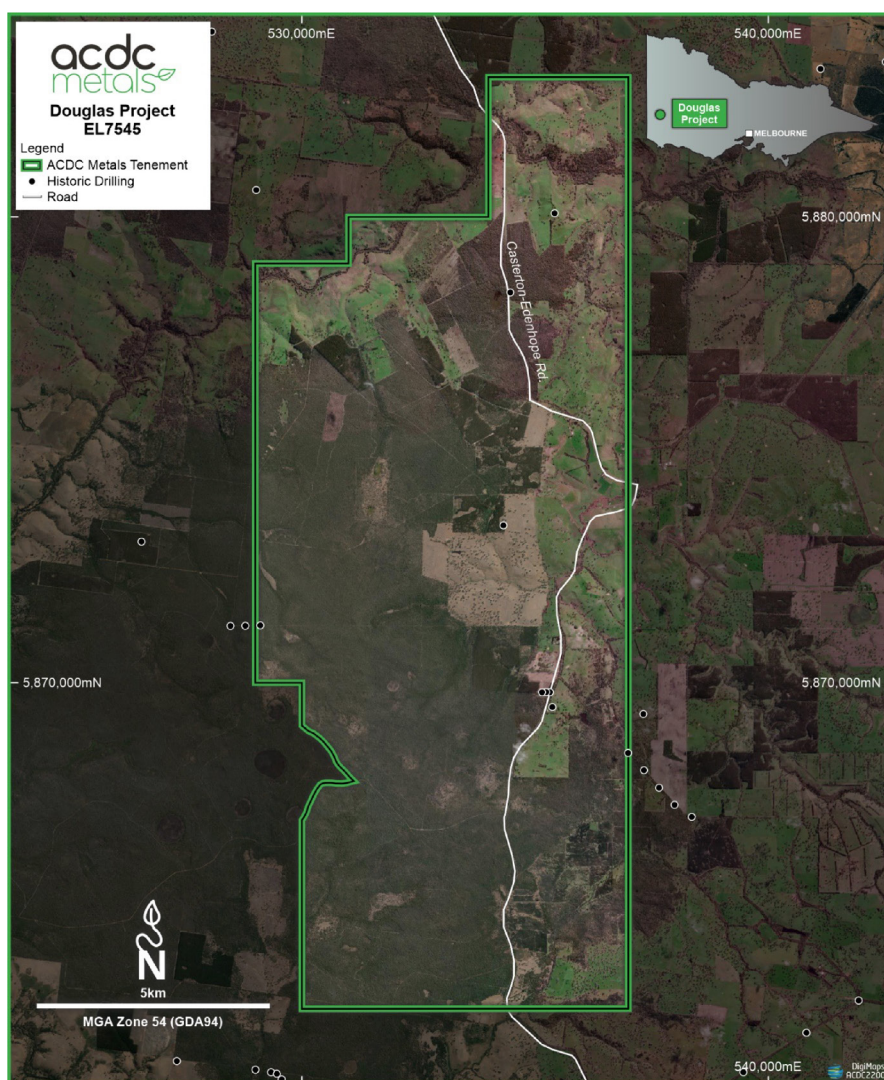


Figure 4: Douglas Project, Tenement EL7545

EL7544 is close to mining licence MIN5367, where the Douglas Mineral Sands Mine, which is not associated with EL7544 or EL7545, was operated by Iluka Resources Pty Ltd (**Iluka**) with mining being completed in 2012. The Douglas area, which consists of mineralisation around the township of Douglas and comprised of several mineralised Strandlines, which includes the Douglas Project and Douglas Mineral Sands Mine (**Douglas Area**).

The four main Strandlines of economic interest are situated at the West Wimmera Strand Plain domain and include, from west to east, Acapulco, Bondi, Bondi East, and Echo. The Douglas Area HMS deposits are coarse-grained with mean diameter grain size of the Strandline deposits ranging from 130 Qm to 160 Qm in size.

The Douglas Area HMS occurrences appear different from other deposits in the Murray Basin because they are generally thick, wide and contain high HMS grades. There is also an absence of cover sediments over much of the prospective beach sequence.

The Company plans to undertake a systematic exploration and definition program at the Douglas Project by commencing with geological and geophysical investigations in conjunction with drilling. The drilling will be undertaken at an appropriate drill density, to gain a fuller understanding of the mineral potential, with an aim of defining a JORC Code compliant resource, contingent on successful outcomes.



5. COMPANY AND PROJECTS OVERVIEW

5.2.5 Watchem Project

The Watchem Project consists of exploration licence applications EL7642, which is located approximately 20 km west of the Douglas Project and EL7932, which is located approximately 20 km west of Donald in northern Victoria.

Similar to the Goschen Central Project, drilling by CRAE at the Watchem Project in the 1980s identified HMS mineralisation. A modest amount of drilling has been completed at the Watchem Project since then.

The Watchem Project is a fine-grained, WIM-style mineral sands project located in a region being explored for this style of deposit by Iluka, Astron Corporation Limited and WIM Resource Pty Ltd.

Previous work in the area was undertaken by CRAE in late 1980s and early 1990s when WIM-style deposits were considered attractive exploration targets within the Murray Basin. Based on historic drillholes by CRAE, the Watchem Project has a number of widely-spaced, fine-grained HMS intersections of 4% to 5% total heavy mineral (THM) with 17% to 20% zircon, 10% to 17% Rutile, 25% to 35% ilmenite and 2.1% to 3.5% rare earth minerals monazite and xenotime.

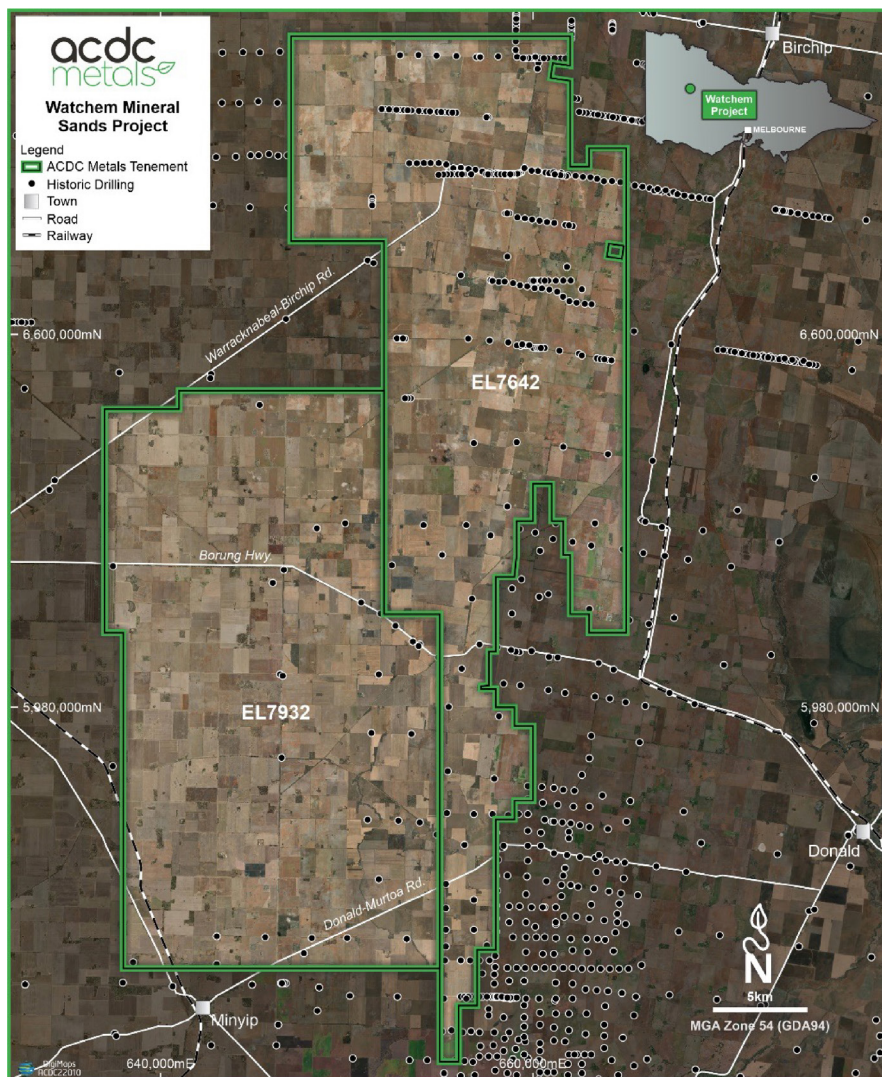


Figure 5: Watchem Project, Tenement Applications EL7642 and EL7932

5.

COMPANY AND PROJECTS OVERVIEW

5.3 Overview of REE and extraction of REE from Monazite

5.3.1 Overview of Rare Earth Elements (REE)

Monazite typically contains 50% to 60% REE by weight and HMS monazite is used today as an important source for REEs. REE are a group of fifteen (15) elements referred to as the lanthanide series in the periodic table of elements. As REEs have unique catalytic, metallurgical, nuclear, electrical, magnetic and luminescent properties, REEs are key components in many electronic devices, as well as in a variety of industrial applications.

The most important and highest value application for REE is their use in high strength permanent magnets (**REE Magnets**), which are an essential component of modern electronics used in electric vehicles, wind turbines, robotics, cell phones, computers and aircraft. REE Magnets are essential in electronic vehicles in that they enable the performance of highly efficient traction motors. In simple terms, as REE Magnets can reduce rolling weight and increase efficiency, the battery distance of electronic vehicles goes up. Similarly, in wind turbines, REE Magnets allow direct drive motors, which are cheaper, lighter and require less maintenance.

In addition, REE have widespread uses in metal alloys, electronic and computing equipment, batteries, catalytic converters, petroleum refining, medical imaging, colouring agents in glass and ceramics, phosphors, lasers and specialty glass.

5.3.2 Medallion Monazite Process Technology

Extraction of monazite from HMS can be done using gravity, magnetic and/or electrostatic separation. The Company has entered into the Medallion Licensing Agreement with Medallion to obtain an exclusive licence in Victoria, South Australia, Northern Territory and New South Wales to the MMP Technology to pursue a downstream processing route for the extraction and separation of REE from monazite.

Medallion has been investing in the MMP Technology, which is an early stage technology designed to be scalable and transferable with an aim of extracting REE from mineral sand monazite. The MMP Technology is a series of chemical processes developed or optimised by Medallion, which, based on current test work, enables safe, scalable and sustainable extraction of REE from mineral sand monazite. The MMP Technology aims to produce a mixed REE concentrate from monazite feed.

The MMP Technology is an updated and modernised version of the commercially established caustic crack and acid leach process employed to recover REE from monazite sand. The MMP Technology aims to provide an energy and material efficient solution to convert monazite sand into a mixed REE concentrate, whilst enabling the valorisation of the by-product phosphate, controlled management of radionuclides and quantitatively reducing the required energy input.

The MMP Technology is being developed to be:

- a) scalable, to ensure the deployment can accommodate resource growth;
- b) extensible, to ensure the process can be customised and augmented based on the requirements imposed by the deployment site;
- c) automated, to reduce operator exposure to a challenging work environment and operate an economically-lean workforce; and
- d) modular, in support of both the scalable and extensible design objectives, a modular approach has been adopted for expansion and customisation of the process.



5. COMPANY AND PROJECTS OVERVIEW

The MMP Technology is supported by repeated positive test results at a laboratory scale and multiple components have been tested together. It is now at a pre-piloting stage.

Further work is required in order to validate and verify the MMP Technology to a level necessary to support application at a commercial scale. As such, the Company has planned test work programs based on materials sourced from the Projects and other third party sources to further characterise waste streams, recycling potential, and to assess any potential energy or environmental efficiency improvements.

The MMP Technology seeks to produce a mixed REE concentrate, which is a saleable product that is also suitable to be directly fed into a conventional solvent extraction circuit or an emerging separation platform, such as the LAD Technology that Medallion exclusively licenses from the Purdue Research Foundation to separate REEs from all raw material feed stocks excluding coal sources, recycled materials from manufacturing wastes and recyclates from battery and magnet sources.

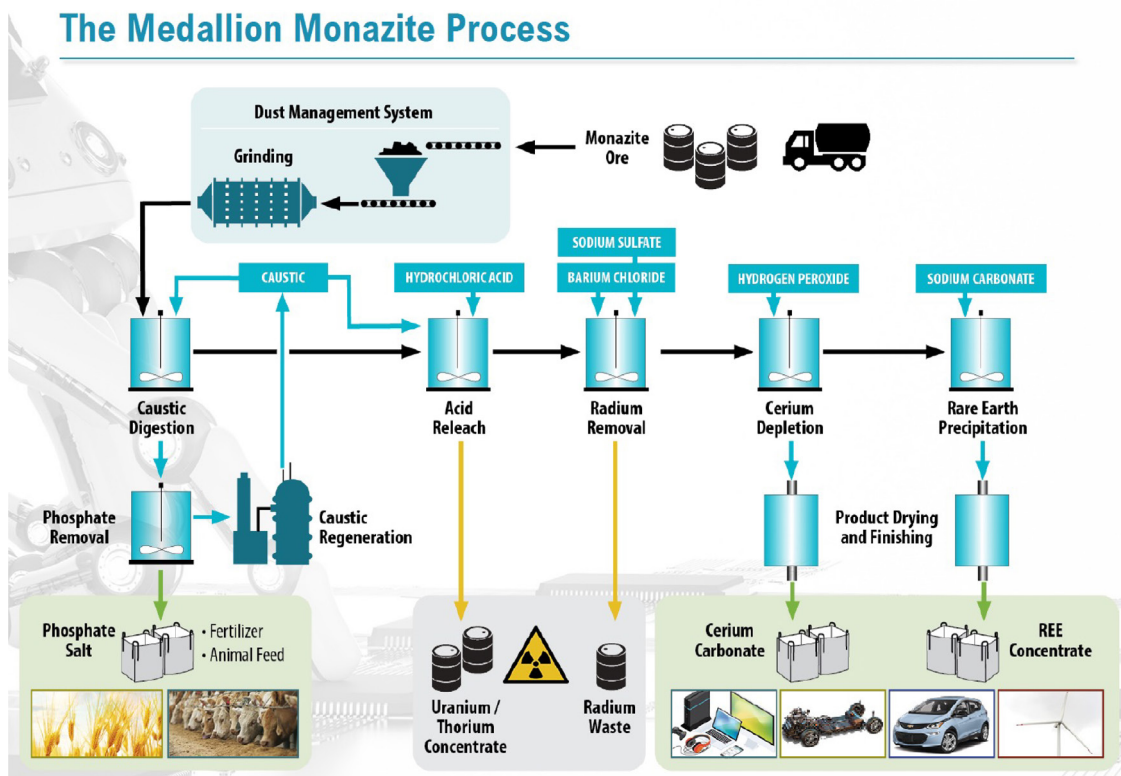


Figure 6: Medallion Monazite Process Technology flow sheet

As Medallion has spent considerable time and funds to advance the MMP Technology, this has provided a strategic advantage to the Company. Pursuant to the Medallion Licensing Agreement, ACDC will also have access to Medallion’s technical expertise and experience and has an exclusive licence in Victoria, South Australia, Northern Territory and New South Wales to utilise the MMP Technology to extract REE from mineral sands and monazite sourced from the Company’s Projects or third parties.

Potential investors should note that the MMP Technology is at an early stage of development and there is no guarantee that it will be proven at a commercial scale. Please refer to Section 7 for a detailed explanation of risks associated with an investment in the Company, and in particular, those applicable to the MMP Technology.

For further technical details on the MMP Technology, please refer to Annexure C for the Independent Technical Expert’s Report on the MMP Technology.

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COMPANY AND PROJECTS OVERVIEW

5.3.3 LAD Technology

In order to use the unique properties of REE, each specific element needs to be separated. One of the most efficient methods for separation of REE is chromatography, which is a technique with growing importance for the REE industry due to its low environmental footprint.

Chromatography is a widely used technology that delivers large volumes of vaccines, pharmaceuticals and metals for everyday life. Liquid chromatography is the most common method for REE extraction and purification.

A mixture of REE in water are placed at the top of a specially designed column and the chemistry within the column means each REE within the water will travel at a different rate. By the end of the column, each REE can be captured at different times in their separated form. Modern chromatography allows for REEs to be rapidly separated at high purity to meet customer needs. In addition, waste produced is very low, organic solvents are not required and chemicals can be reused and regenerated.

Medallion has an exclusive licence from the Purdue Research Foundation to use the LAD Technology, which is a chromatography separation technology that has been developed with the aim to separate REE from all raw material feed stocks, excluding coal sources, and recycled materials from manufacturing wastes and recyclates from battery and magnet sources. The mixed REE concentrate, which is the product of the MMP Technology, is suitable to be directly fed into the LAD Technology.

Pursuant to the Medallion Licensing Agreement, Medallion and ACDC have agreed to collaborate on advancing REE separation using the LAD Technology or other suitable technology to process mixed REE concentrate, on terms that would be set forth in a separate agreement.

Potential investors should note that there is no guarantee that ACDC and Medallion will enter into a formal and binding agreement to fully document the terms of the collaboration between the parties and the collaboration between ACDC and Medallion to advance the LAD Technology may never eventuate.

As such, the Company has not allocated any funds to be raised under the Public Offer for the advancement and development of the LAD Technology. Should an agreement to collaborate be entered into between ACDC and Medallion, it is the understanding of the parties that the development and advancement of the LAD Technology will be fully funded by Medallion as the exclusive licence to the LAD Technology is granted by the Purdue Research Foundation to Medallion. However, the Company may have certain obligations to assist with the development of it. As this potential agreement to collaborate is subject to further discussions and negotiations, ACDC's business model is not reliant on the success of the LAD Technology.

In the event a separate agreement is entered into by the Company to develop the LAD Technology, potential investors should note that the LAD Technology is at an early stage of development and there is no guarantee that it will be proven at a commercial scale. Please refer to Section 7 for a detailed explanation of the risks associated with an investment in the Company, and in particular, those applicable to the LAD Technology.

For further technical details on the MMP Technology and the LAD Technology, please refer to Annexure C for the Independent Technical Expert's Report.



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COMPANY AND PROJECTS OVERVIEW

5.4 Business model

Following the Company's Admission, the Company's main objective will be to explore and seek to develop the Company's Projects, in particular the Douglas and Goschen Central Project, and upon granting of the exploration licences, the Watchem Project.

The Projects were discovered through historic drilling, but they have not been the subject of significant recent investment. Historical work indicates that the mineralisation style most prevalent across the Tenements is mineral sands containing a suite of valuable heavy minerals, including zircon, rutile, leucoxene, ilmenite and REE.

Exploration of the Tenements will be undertaken to gain a fuller understanding of the size and grade of HMS mineralisation, the mineralogy and processing characteristics of the commodities within the Projects, and potential for development. The Company proposes to undertake the exploration program described below and further explained in the Independent Geologist's Report in Annexure A.

Whilst the Company intends to undertake additional exploratory work with the aim of defining a mineral resource, no assurances can be given that additional exploration will result in the determination of a mineral resource.

Contingent on successful outcomes, ACDC's aspiration is to complete JORC Code compliant resource statements and progress through economic studies and pilot plant operation. The results of the exploration programs will determine the economic viability and possible timing for commencement of further activities including pre-feasibility studies and commencement of mining operations at the Projects (if any).

Undertaking the development of each Project will be done in conjunction with developing and advancing the MMP Technology. Initially, the Company will be undertaking test work on the MMP Technology to determine:

- a) its technical and commercial viability; and
- b) if it can be used on the monazite sourced from the Company's Projects or any other third parties' material purchased in the market.

Details of the proposed initial test work are set out in Section 5.5.2.

The ultimate goal of the Company is to progress the MMP Technology to the point where it could be successfully commercialised.

As such, following the completion of the Public Offer, depending on the success or failure of the Projects and the initial MMP Technology test work, the Company is likely to require further funding and may raise additional funds for the exploration and development of the Projects and to conduct further test work for the commercialisation of the MMP Technology.

As there is no guarantee that ACDC and Medallion will enter into a formal and binding agreement and the collaboration between the parties of the LAD Technology may never eventuate, ACDC's business model is not reliant on the success of the LAD Technology.

5. COMPANY AND PROJECTS OVERVIEW

5.5 Proposed Exploration Program and Development Plan

5.5.1 The Projects' Exploration Program

The significant amount of exploration by previous holders of the Tenements, which comprise the Projects has provided the Company with a strong basis for planning future work. The proposed exploration and development activities are further described in the Independent Geologist's Report at Annexure A.

The Company's proposed exploration program for the Projects is aimed at establishing the extent of mineralisation, determining the mineralogy of the deposit and providing the basis for a JORC Code compliant resource.

The Company's intended use of funds raised under the Public Offer on its exploration and development objectives are set out in the table below:

	Year 1 (A\$)	Year 2 (A\$)
Exploration and Development of the Goschen Central Project¹		
Drilling ²	\$355,000	\$355,000
Metallurgical, Geophysical and Geological Studies	\$40,000	\$110,000
Project Studies ³	\$245,000	\$300,000
Project Management ⁴	\$100,000	\$100,000
Goschen Central Project Sub Total	\$740,000	\$865,000
Exploration and Development of the Douglas Project¹		
Drilling ²	\$345,000	\$345,000
Metallurgical, Geophysical and Geological Studies	\$30,000	\$135,000
Project Studies ³	\$150,000	\$150,000
Project Management ⁴	\$100,000	\$100,000
Douglas Project Sub Total	\$625,000	\$730,000
Exploration and Development of the Watchem Project¹		
Drilling ²	\$240,000	\$240,000
Metallurgical, Geophysical and Geological Studies	\$20,000	\$155,000
Project Studies ³	\$165,000	\$165,000
Project Management ⁴	\$100,000	\$100,000
Watchem Project Sub Total	\$525,000	\$660,000
Exploration Total	\$1,890,000	\$2,255,000

Notes to table:

1. The above intended use of funds is indicative only and is subject to change. Exploration expenditure reflects the existing plans of the Company. As is common for entities engaged in mineral exploration, depending on the results of its exploration activities the Company may choose to allocate funds other than as set out above, including to accelerate development.
2. Including contractors, field support, & site rehabilitation
3. Including technical studies, mine planning and Resource estimation
4. Proposed to encompass coordination of drilling and project studies activities, field reconnaissance, collation of existing geophysical surveys, review of previous exploration, field mapping, grid soil sampling and assay, drill target planning, drilling, bulk sampling and approvals.



5. COMPANY AND PROJECTS OVERVIEW

5.5.2 Medallion Monazite Processing Testing

The Company plans to initially conduct test work on an REE rich monazite product sourced from the Projects to determine if the material is suitable for the MMP Technology.

The initial testing activities will be of a confirmatory nature to establish the efficacy of the MMP Technology on resources originated from south-eastern Australian HMS. This will enable MMP Technology’s operating parameters and conditions to be fine-tuned to the specific requirements of both the Company’s Projects’ monazite and potential feedstock from third parties seeking to utilise the technology.

The Company’s intended use of funds raised under the Public Offer on the initial test work of the MMP Technology are as set out in the table below:

Medallion Monazite Process Technology^{1,2}	Year 1	Year 2
Product Characterisation and optimisation ³	\$320,000	\$350,000
Process Refinement ⁴	\$110,000	\$670,000
Total	\$430,000	\$1,020,000

Notes to table:

1. The above intended use of funds table is indicative only and is subject to change.
2. The estimated expenditure amount as shown in the use of funds table reflects the existing plans of the Company. The Company may choose to allocate funds other than as set out above, including to accelerate development. This is common practice for entities engaged in mineral technology development.
3. The proposed activities of Product Characterisation and Optimisation encompasses technical support and project management, material sourcing, monazite sand characterisation, caustic crack optimisation, phosphate recovery optimisation and uranium recovery from acid re-leach residue.
4. The proposed activities of Process Refinement encompasses update to chemical engineering and process assumptions for the MMP Technology on the basis of material characteristics as determined in the Product Characterisation and Optimisation stage.

It is anticipated that the funds raised under the Public Offer will enable the Company to conduct initial test work of the MMP Technology. Accordingly, the Company will require additional capital beyond this point for the commercialisation of the MMP Technology.

As the agreement to collaborate with Medallion on the advancement of the LAD Technology may never eventuate, the Company has not allocated any funds to be raised under the Public Offer to conduct any test work on the LAD Technology. Further, since Medallion holds the exclusive licence to the LAD Technology from the Purdue Research Foundation, Medallion will fully fund the advancement and the development of the LAD Technology should an agreement to collaborate be entered into by the parties.

5. COMPANY AND PROJECTS OVERVIEW

5.6 Key dependencies of the Company's business model

The key dependencies influencing the viability of the Company's business model are:

- a) completing the Acquisitions;
- b) maintaining title to the Tenements and complying with the Medallion Licensing Agreement;
- c) the Company's ability to obtain and retain all necessary approvals (including any regulatory or third-party approvals) required to undertake its proposed exploration programs;
- d) exploration success on the Projects, resulting in increased confidence in the commercial viability of the Projects;
- e) completion of successful test work on the MMP Technology and subsequently successful commercialisation of the MMP Technology;
- f) retaining and recruiting key personnel skilled in the mining and resources sector;
- g) sufficient worldwide demand for REE and HMS products that the Company may produce (assuming successful exploration and development of the Projects by the Company);
- h) the market price of REE and HMS remaining higher than the Company's costs of any future production; and
- i) minimising environmental impacts and complying with environmental and health and safety requirements.

5.7 Use of funds

The Company intends to apply funds raised from the Public Offer over the first two years following Admission as follows:

Funds available	Full Subscription (\$ (\$8,000,000))	Percentage of Funds (%)
Funds raised from the Public Offer	8,000,000	100
Total	8,000,000	100.00
Allocation of funds		
Exploration at Goschen Central Project ¹	1,605,000	20.1%
Exploration at Douglas Project ¹	1,355,000	16.9%
Exploration at Watchem Project ¹	1,185,000	14.8%
Medallion Monazite testing ²	1,450,000	18.1%
Project Consideration (Goschen Central Project)	32,602	0.4%
Project Consideration (Douglas Project)	16,372	0.2%
Acquisition Costs (Watchem Project)	50,000	0.6%
Expenses of the Public Offer ³	1,075,000	13.4%
Administration costs ⁴	500,000	6.3%
Business Development	450,000	5.6%
Working capital ⁵	281,026	3.5%
Total⁶	8,000,000	100.00



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COMPANY AND PROJECTS OVERVIEW

Notes:

1. Refer to Section 5.5 and the Independent Geologist's Report in Annexure A for further details with respect to the Company's proposed exploration programs at the Projects.
2. Refer to Section 5.3 and the Independent Technical Expert's Report in Annexure C for further details regarding the MMP Technology testing.
3. Refer to Section 10.11 for further details.
4. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.
5. To the extent that:
 - a) the Company's exploration activities warrant further exploration activities; or
 - b) the Company identifies additional acquisition or investment opportunities, the Company's working capital will also be utilised to fund such further exploration activities and/or acquisition or investment costs (including due diligence investigations and expert's fees in relation to such acquisitions or investments) as applicable. Any amounts not so expended will be applied toward corporate and administration costs for the period subsequent to the initial two year period following Admission.
6. The intended use of funds from the Public Offer is indicative only and subject to change without notice.

The above table is a statement of current intentions as of the date of this Prospectus. Prospective investors should note that, as with any budget, the allocation of the funds may change depending on various intervening events and new circumstances, including the outcome of exploration and development activities (including, exploration success or failure), regulatory developments and market and general economic conditions. Accordingly, the Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that the funds raised under the Public Offer will enable two years of full operations (if the Full Subscription is raised). It should be noted that the Company may not be fully self-funding through its own operational cash flow at the end of this period. Accordingly, the Company may require additional capital beyond this point, which will likely involve the use of additional debt or equity funding. Future capital needs will also depend on the success or failure of the MMP Technology test work and the proposed exploration program for the Company's Projects. The Board will consider the use of additional debt or equity funding where it is appropriate to accelerate growth, fund additional test work, fund additional exploration on the Projects or to capitalise on acquisition or investment opportunities in the resources sector.

The Directors consider that following completion of the Public Offer, the Company will have sufficient working capital to carry out its stated objectives. However, it should be noted that an investment in the Company is highly speculative and prospective investors are encouraged to read the risk factors outlined in Section 7.

5. COMPANY AND PROJECTS OVERVIEW

5.8 Capital structure

The capital structure of the Company as at the date of this Prospectus and following completion of the Public Offer (assuming Full Subscription) is set out in the table below:

Shares ¹	Full Subscription
Shares currently on issue ²	17,050,000
Shares to be issued pursuant to the Public Offer ³	40,000,000
Shares to be issued pursuant to the Goschen Tenement Sale Agreement ⁴	6,586,991
Shares to be issued pursuant to the Douglas Tenement Sale Agreement ⁵	6,168,139
Shares to be issued pursuant to Fish Hawk Share Sale Agreement ⁶	2,500,000
Total Shares on completion of the Offers⁷	72,305,130

Notes:

1. The material rights and liabilities attaching to the Shares are summarised in Section 10.2.
2. The Company has a total of 17,050,000 Shares on issue, comprising:
 - a) 4,500,000 Shares issued to Medallion on 1 November 2021 at an issue price of \$0.001 per Share, being part consideration under the Medallion Licensing Agreement;
 - b) 2,000,000 Shares issued to Valas Investments Pty Ltd ATF Valas Investment A/C on 1 November 2021 at an issue price of \$0.001 per Share;
 - c) 2,000,000 Shares issued to Ridley Super Fund ATF Mark Stephen Saxon and Mrs Paula Saxon on 1 November 2021 at an issue price of \$0.001 per Share;
 - d) 750,000 Shares issued to Leggetts Lane Capital Pty Ltd (an unrelated party of the Company) on 1 November 2021 at an issue price of \$0.01 per Share;
 - e) 200,000 Shares issued to Bonica Pty Ltd (an entity controlled by Director, Richard Boyce) 1 November 2021 at an issue price of \$0.01 per Share;
 - f) 6,100,000 Shares issued at a price of \$0.10 per Share under the Company's November Seed Raising. The Company notes Medallion subscribed for \$30,000 worth of Shares under the Company's November Seed Raising pursuant to its rights under the Medallion Licensing Agreement. The remaining \$70,000 worth was subscribed for by unrelated parties; and
 - g) 1,000,000 Shares issued at a price of \$0.10 per Share under the Company's August Seed Raising, where:
 - i. Salford Capital Pty Ltd (entity controlled by Director, Ivan Fairhall) subscribed for \$20,000 worth of Shares;
 - ii. Bonica Pty Ltd ATF Bonica Family Trust (entity controlled by Director, Richard Boyce) subscribed for \$15,000 worth of Shares;
 - iii. Clear Sky Blue Pty Ltd (entity controlled by Company Secretary, Tamara Barr) subscribed for \$5,000 worth of Shares; and
 - h) 400,000 Shares issued upon conversion of \$40,000 worth of loans advanced by two directors (Messrs Mark Saxon and Andrew Shearer) and two former directors (Messrs Michael Hudson and Thomas Burrowes) of the Company at a conversion price of \$0.10 per Share.
 - i) 100,000 Shares issued to Tom Davidson and Chelsea Davidson ATF Davidson Share Trust (an entity controlled by Chief Executive Officer, Tom Davidson) at an issue price of \$0.10 per Share as a sign on bonus.
3. Shares to be issued at an issue price of \$0.20 per Share to raise up to \$8,000,000 under the Public Offer.
4. Refer to Section 9.2.1 for a summary of the Goschen Tenement Sale Agreement.
5. Refer to Section 9.2.2 for a summary of the Douglas Tenement Sale Agreement.
6. Refer to Section 9.2.3 for a summary of the Fish Hawk Share Sale Agreement.
7. In addition, the Company has agreed to issue 600,000 Deferred Consideration Shares under the Fish Hawk Share Sale Agreement (which are not included in the table above). Refer to Section 9.2.3 for a summary of the key terms and conditions of the Fish Hawk Share Sale Agreement.



5. COMPANY AND PROJECTS OVERVIEW

Options

	Full Subscription
Options currently on issue	Nil
Options to be issued pursuant to the Lead Manager Options Offer ¹	5,000,000
Options to be issued pursuant to the Officer Options Offer ²	4,550,000
Total Options on completion of the Offers	9,550,000

Notes:

1. To be issued to the Lead Manager in part consideration for services provided in respect of the Public Offer and pursuant to the Lead Manager Mandate. The Lead Manager Options are exercisable at \$0.30 each, on or before the date that is three years from the date of the issue of the Lead Manager Options. Refer to Sections 4.4 and 9.1.1 for further details and Section 10.3 for the full terms and conditions of the Lead Manager Options.
2. The Company will issue a total of 4,550,000 Options under the Officer Options Offer. Comprising:
 - a) 3,950,000 unlisted Officer Options, exercisable at \$0.30 each, on or before the date that is 3 years from the date of issue to the Directors and the Company Secretary as an incentive-based component of their remuneration packages as follows:
 - i. 1,250,000 Officer Options to be issued to Mark Saxon;
 - ii. 1,250,000 Officer Options to be issued to Andrew Shearer;
 - iii. 600,000 Officer Options to be issued to Ivan Fairhall;
 - iv. 600,000 Officer Options to be issued to Richard Boyce; and
 - v. 250,000 Officer Options to be issued to Tamara Barr;
 - b) 600,000 unlisted Officer Options, exercisable (subject to satisfaction of vesting conditions) at \$0.30 each, on or before 3 years from the date of issue to the Chief Executive Officer, Tom Davidson as a long-term incentive component of his remuneration. These Officer Options will vest and become exercisable upon Tom Davidson as follows:
 - i. 200,000 Officer Options will vest on Tom Davidson having been employed by the Company for a period of 6 months;
 - ii. 200,000 Officer Options will vest on Tom Davidson having been employed by the Company for a period of 12 months; and
 - iii. 200,000 Officer Options will vest on Tom Davidson having been employed by the Company for a period of 24 months.

to be issued at the same time as the Securities under the Public Offer. Refer to Section 10.4 for the full terms and conditions of the Officer Options.

Performance Rights

	Full Subscription
Performance Rights currently on issue	Nil
Performance Rights to be issued under the Public Offer	Nil
Performance Rights to be issued under the Performance Rights Offer ¹	6,250,000
Total Performance Rights on issue after completion of the Offers	6,250,000

Notes:

1. Comprising of:
 - a) 1,500,000 Class A Performance Rights to be issued under the Douglas Tenement Sale Agreement;
 - b) 1,500,000 Class B Performance Rights to be issued under the Goschen Tenement Sale Agreement;
 - c) 2,500,000 Class C Performance Rights to be issued under the Medallion Licensing Agreement; and
 - d) 750,000 Class D Performance Rights to be issued under the Medallion Licensing Agreement.

5. COMPANY AND PROJECTS OVERVIEW

The Class A Performance Rights will vest upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 60 million tonnes (Mt) of heavy mineral sands (**HMS**) concentrate @ 4.0% HM or greater at either of the tenements of the Douglas Project, as signed off by a competent person.

The Class B Performance Rights will vest upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 10Mt of heavy mineral sands (**HMS**) concentrate @ 2.0% HMS or greater on the tenement of the Goschen Central Project, as signed off by a competent person.

The Class C Performance Rights will vest upon the completion of the construction of a pilot processing plant of a size and scale as an independent technical consultant deems appropriate to demonstrate the technical and economic viability of the Medallion Monazite Process.

The Class D Performance Rights will vest upon a mineral sand monazite processing refinery which has 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 Company and Medallion.

Refer to Section 10.5.1 and 10.6.1 for the full terms and conditions of the Performance Rights and Section 10.5.2 and 10.6.2 for additional information relating to the issue of the Performance Rights.

5.9 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Public Offer are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Options	Percentage (%)	
			Undiluted	Fully Diluted
Medallion Resources Ltd ¹	4,800,000	Nil	28.15%	28.15%
Andrew Shearer ²	2,100,000	Nil	12.32%	12.32%
Mark Saxon ³	2,100,000	Nil	12.32%	12.32%

Notes:

1. Mark Saxon, a Director and Shareholder of the Company, is also an executive director and a minority shareholder of Medallion.
2. Indirectly held by Valas Investments Pty Ltd ATF Valas Investment A/C (an entity controlled by Director, Andrew Shearer).
3. Comprising of 2,000,000 Shares indirectly held by Ridley Super Fund ATF Mark Stephen Saxon and Paula Saxon A/C and 100,000 held by Sierra Peru Pty Ltd (an entity controlled by Director, Mark Saxon).



5. COMPANY AND PROJECTS OVERVIEW

Based on information known to the Company as at the date of this Prospectus, on completion of the issue of Shares under the Public Offer with Full Subscription, the following persons (together with their associates) will have a relevant interest in 5% or more of the Shares on issue:

Shareholder	Shares	Options	Performance Rights	Percentage (%)	
				Undiluted	Fully Diluted
Medallion Resources Ltd ^{1,2}	12,800,000	Nil	3,250,000	17.7%	18.22%

Notes:

- Under the Medallion Licensing Agreement, Medallion (and/or its nominee) has a right to subscribe up to 20% of the Shares (up to 8,000,000 Shares) to be issued under the Public Offer. As at the date of this Prospectus, Medallion has not advised the Company on the extent of its participation, if at all. This figure is based on the assumption that Medallion will subscribe for the full 20% of the Shares to be issued under the Public Offer, being 8,000,000 Shares.
- Mark Saxon, a Director and Shareholder of the Company, will continue to hold the position of an executive director and will remain a minority shareholder of Medallion upon completion of the Public Offer. Mr Saxon does not control Medallion and does not have a relevant interest in those Shares.

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Securities commencing trading on ASX.

5.10 Loyalty Options

Subject to the completion of the Public Offer and the Company's Admission, it is the Company's present intention that it will undertake a pro-rata non-renounceable entitlement issue of Loyalty Options to existing Shareholders that are registered as Shareholders on or about the date which is 2 months from the date of the Company's Admission.

These Loyalty Options would be offered under a separate prospectus and it is proposed that, for \$0.005 per Loyalty Option, one Loyalty Option will be granted for every two (2) Shares held by eligible Shareholders on the record date (other than Shares held by Shareholders with a registered address outside of Australia or New Zealand). It is expected that the Loyalty Options will be exercisable at \$0.30 each, with an expiry date approximately two (2) years from the date of issue of the Loyalty Options. There is no assurance that the Loyalty Options offer will proceed as currently planned.

5.11 Restricted Securities

Subject to the Company being admitted to the Official List and completing the Offer, certain Securities will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of Shares in a timely manner.

None of the Securities issued under the Offer will be subject to escrow.

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COMPANY AND PROJECTS OVERVIEW

While the ASX has not yet confirmed the final escrow position, the Company anticipates that the following Securities will be subject to escrow:

- a) 24,392,630 Shares, comprising:
 - i. 5,050,000 of the Shares currently on issue, for 24 months from the date of Official Quotation;
 - ii. 4,087,500 of the Shares currently on issue, for 12 months from the date of issue of those securities;
 - iii. 6,168,139 Shares to be issued pursuant to the Douglas Tenement Sale Agreement for 24 months from the date of issue;
 - iv. 6,586,991 Shares to be issued pursuant to the Goschen Tenement Sale Agreement for 24 months from the date of issue; and
 - v. 2,500,000 Shares to be issued pursuant to the Fish Hawk Share Sale Agreement for 12 months from the date of issue.
- b) 9,550,000 Options for up to 24 months from the date of Official Quotation, comprising:
 - i. 4,550,000 Officer Options;
 - ii. 5,000,000 Lead Manager Options; and
- c) 6,250,000 Performance Rights for 12 months from the date of issue.

The number of Securities that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy. The above is a good faith estimate of the Securities that are expected to be subject to ASX imposed escrow.

The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Securities commencing trading on ASX (which admission is subject to ASX's discretion and approval).

The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company (or their associates) at the time of Admission) will be approximately 66.3% (assuming the Full Subscription is raised) comprising all Shares issued following completion of the Acquisitions, other than Shares subject to ASX imposed escrow or held by Directors or promoters (or their associates).

5.12 Dividend policy

Payment of dividends by the Company is at the discretion of the Board. Given the stage of development of the Company, the Board anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the Company's Admission. Accordingly, the Directors have no current intention to declare and pay a dividend and no dividends are expected to be paid during the foreseeable future following the Company's listing on the ASX.

In determining whether to declare future dividends the Directors and will consider the level of earnings of the Company, the operating results and overall financial condition of the Company, future capital requirements, capital management initiatives, general business outlook and other factors the Directors may consider relevant at the time of their decision.

The Directors cannot and do not provide any assurances in relation to the future payment of dividends or the level of franking credits attaching to dividends can be given by the Company.



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COMPANY AND PROJECTS OVERVIEW

5.13 Additional Information

Prospective investors are referred to and encouraged to read in their entirety:

- a) the Independent Geologist's Report in Annexure A for further details about the geology, location and mineral potential of the Company's Projects;
- b) the Solicitor's Report on Tenements in Annexure B for further details in respect to the Company's interests in the Tenements;
- c) the Independent Technical Expert's Report in Annexure C for further details about the MMP Technology and the LAD Technology; and
- d) the Independent Limited Assurance Report in Annexure D for further details on the Company's financials.

6. FINANCIAL INFORMATION

6.1 Introduction

This section sets out the Historical Financial Information of ACDC Metals Limited and its controlled entities (**ACDC**) and Fish Hawk Resources Pty Ltd (**Fish Hawk**), collectively referred to as the **Group**. The Directors are responsible for the inclusion of all Financial Information in the Prospectus. The purpose of the inclusion of the Financial Information is to illustrate the effects of the Initial Public Offering (**IPO**) of ACDC on the financial position of the Group. Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**) has prepared an Independent Limited Assurance Report in respect to the Historical Financial Information and the Pro Forma Historical Financial Information. A copy of this report, within which an explanation of the scope and limitation of Hall Chadwick's work is set out in Annexure C.

All information presented in this Section should be read in conjunction with the balance of this Prospectus, including the Independent Limited Assurance Report in Annexure C.

6.2 Basis and method of preparation

The historical financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by ACDC as detailed in Note 1 of section 6.7. The pro forma financial information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out in Note 2 of section 6.7 as if those adjustments had occurred as at 30 June 2022.

The financial information contained in this section of the Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the Historical Financial Information):

- a) The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities;
- b) The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd;
- c) The historical Statement of Financial Position as at 30 June 2022 for ACDC Metals Limited and its controlled entities;
- d) The historical Statement of Financial Position as at 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd;
- e) The historical Statement of Cash Flows for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities;
- f) The historical Statement of Cash Flows for the periods ended 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd.

The pro forma financial information comprises (collectively referred to as the **Pro Forma Financial Information**):

- a) The pro forma statement of financial position as at 30 June 2022 prepared on the basis that the pro forma adjustments and subsequent events detailed in Section 6.7 Note 2 had occurred as at 30 June 2022; and
- b) the notes to the pro forma financial information,
(collectively referred to as the **Financial Information**).



6. FINANCIAL INFORMATION

The Historical Financial Information of the Group has been extracted from the audited historical financial statements for 30 June 2022 respectively. The financial reports were audited by Hall Chadwick in accordance with Australian Auditing Standards. HCWA issued an unqualified audit opinions with material uncertainty related to going concern for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities and for the years ended from 30 June 2020 to 30 June 2022 for Fish Hawk Resources Pty Ltd.

6.3 Historical statement of profit or loss and other comprehensive income

	ACDC Metals Limited	Fish Hawk Resources Pty Ltd	Fish Hawk Resources Pty Ltd	Fish Hawk Resources Pty Ltd
	Audited* 30 June 2022	Audited* 30 June 2022	Audited* 30 June 2021	Audited* 30 June 2020
	\$	\$	\$	\$
Revenue	-	-	-	-
Accounting fees	-	4,320	2,140	2,110
Advertising	-	27	540	-
Audit fees	9,000	2,500	2,500	3,500
ASIC fees	2,169	-	-	-
ASX fees	5,000	-	-	-
Filing fees	-	-	273	267
Professional fees	188,403	-	-	-
Exploration expensed	-	25,788	1,994	-
Exploration written-off	-	-	4,086	-
Other expense	11,918	624	-	56
Loss before income tax	216,490	33,259	11,533	5,933
Income tax expense	-	-	-	-
Loss for the year	216,490	33,259	11,533	5,933

* Please refer to Section 6.2 with respect to the audit opinions issued by Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Annexure C.

6. FINANCIAL INFORMATION

6.4 Historical Statement of Financial Position

	ACDC Metals Limited	Fish Hawk Resources Pty Ltd	Fish Hawk Resources Pty Ltd	Fish Hawk Resources Pty Ltd
	Audited* 30 June 2022	Audited* 30 June 2022	Audited* 30 June 2021	Audited* 30 June 2020
	\$	\$		
Current assets				
Cash and cash equivalents	486,602	713	84	392
Trade and other receivables	9,795	697	148	61
Total current assets	496,397	1,410	232	453
Non-current assets				
Exploration expenditure	-	4,351	2,159	-
Total non-current assets	-	4,351	2,159	-
TOTAL ASSETS	496,397	5,761	2,391	453
Current liabilities				
Trade and other payables	73,460	30,500	9,715	5,000
Total current liabilities	73,460	30,500	9,715	5,000
Non-current liabilities				
Long-term borrowings	-	62,314	46,470	37,714
Total non-current liabilities	-	62,314	46,470	37,714
TOTAL LIABILITIES	73,460	92,814	56,185	42,714
NET ASSETS / (LIABILITIES)	422,937	(87,053)	(53,794)	(42,261)
Equity				
Issued capital	635,800	2	2	2
Reserves	3,627	-	-	-
Retained earnings	(216,490)	(87,055)	(53,796)	(42,263)
TOTAL EQUITY	422,937	(87,053)	(53,794)	(42,261)

* Please refer to Section 6.2 with respect to the audit opinions issued by Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Annexure C.



6. FINANCIAL INFORMATION

6.5 Historical Statement of Cash Flows

	ACDC Metals Limited	Fish Hawk Resources Pty Ltd	Fish Hawk Resources Pty Ltd	Fish Hawk Resources Pty Ltd
	Audited* 30 June 2022	Audited* 30 June 2022	Audited* 30 June 2021	Audited* 30 June 2020
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments to suppliers and employees	(189,198)	(4,020)	(1,540)	(994)
Net cash (used) in Operating Activities	(189,198)	(4,020)	(1,540)	(994)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for exploration and evaluation activities	-	(11,195)	(7,524)	-
Net Cash (used) in Investing Activities	-	(11,195)	(7,524)	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	635,800	-	-	-
Proceeds from borrowings	40,000	-	-	-
Proceeds from loans from related parties	-	15,844	8,756	900
Net Cash from Financing Activities	675,800	15,844	8,756	900
Net increase in cash and cash equivalents	486,602	629	(308)	(94)
Cash and cash equivalents at the beginning of the period	-	84	392	486
Cash and cash equivalents at the end of the period	486,602	713	84	392

* Please refer to Section 6.2 with respect to the audit opinions issued by Hall Chadwick on the historical financial information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Annexure C.

6. FINANCIAL INFORMATION

6.6 Historical and Pro-Forma Statement of Financial Position

		ACDC Metals Limited	Fish Hawk Resources Pty Ltd	Subsequent Events	Pro forma Adjustments	Pro forma Balance
	Notes	30 June 2022	30 June 2022			30 June 2022
		\$	\$	\$	\$	\$
Current assets						
Cash and cash equivalents	3	486,602	713	91,850	6,843,526	7,422,691
Trade and other receivables		9,795	697	-	-	10,492
Total current assets		496,397	1,410	91,850	6,843,526	7,433,183
Non-current assets						
Exploration and evaluation expenditure	4	-	4,351	-	3,559,053	3,563,404
Investment in subsidiary	5	-	-	-	-	-
Intangible assets	6	-	-	-	385,000	385,000
Total non-current assets		-	4,351	-	3,944,053	3,948,404
TOTAL ASSETS		496,397	5,761	91,850	10,787,579	11,381,587
Current liabilities						
Trade and other payables	7	73,460	30,500	(38,867)	42,000	107,093
Total current liabilities		73,460	30,500	(38,867)	42,000	107,093
Non-current liabilities						
Long-term borrowings	8	-	62,314	-	(62,314)	-
Total non-current liabilities		-	62,314	-	(62,314)	-
TOTAL LIABILITIES		73,460	92,814	(38,867)	(20,314)	107,093
NET ASSETS / (LIABILITIES)		422,937	(87,053)	130,717	10,807,893	11,274,494
Equity						
Issued capital	9a	635,800	2	141,850	10,073,524	10,851,176
Reserves	9b	3,627	-	(3,627)	1,605,525	1,605,525
Retained earnings	9c	(216,490)	(87,055)	(7,506)	(871,156)	(1,182,207)
TOTAL EQUITY		422,937	(87,053)	130,717	10,807,893	11,274,494



6. FINANCIAL INFORMATION

6.7 Notes to and Forming Part of the Historical Financial Information

Note 1: Summary of significant accounting policies

a) Basis of Accounting

The historical financial information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets. The preparation of the Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Financial Position are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 June 2022 represents the audited financial position as adjusted for the transactions discussed in Note 2 to this report. The Statement of Financial Position should be read in conjunction with the notes set out in this report.

b) Going Concern

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

The entity's ability to continue as a going concern is dependent on the success of the Public Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Public Offer be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the entity not continue as a going concern.

c) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues.

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FINANCIAL INFORMATION

Impairment of Assets

At each reporting date the Company assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Company makes a formal estimate of recoverable amount. Where carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or Company assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

d) Income Tax

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- i. except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither that accounting profit or loss nor taxable profit or loss; and
- ii. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- iii. except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss; and
- iv. in respect of deductible temporary differences with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.



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e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (“ATO”). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

g) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

h) Plant and Equipment

Plant and equipment are measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset’s employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of plant and equipment is depreciated on a diminishing value basis over the asset’s useful life to the Company commencing from the time the asset is held ready for use.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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FINANCIAL INFORMATION

i) Exploration Expenditure

Costs incurred with respect to the acquisition of rights to explore for each identifiable area of interest are capitalised in the Statement of Financial Position.

Capitalised costs are only carried forward to the extent that they are expected to be recouped 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.

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

When production commences, the capitalised 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 carry forward costs in relation to that area of interest.

j) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

k) Issued Capital

Ordinary shares are classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

l) Share based payments

Under AASB 2 Share Based Payments, the Company must recognise the fair value of shares and options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the Statement of Profit or Loss and Other Comprehensive Income with a corresponding adjustment to equity.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. No revision to original estimates is made in respect of options issued with market based conditions.

The Company provides benefits to employees (including directors) of the Company in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. The fair value is determined using an appropriate option pricing model.

In relation to the valuation of the share-based payments, these are valued using an appropriate option valuation method. Once a valuation is obtained management use an assessment as to the probability of meeting non-market based conditions. Market conditions are vested over the period in which management assess it will take for these conditions to be satisfied.



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FINANCIAL INFORMATION

m) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

- i. Financial assets
- ii. Financial assets are subsequently measured at:
- iii. amortised cost;
- iv. fair value through other comprehensive income; or
- v. fair value through profit or loss.

Financial assets

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- i. the financial asset is managed solely to collect contractual cash flows; and
- ii. the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- i. the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- ii. the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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FINANCIAL INFORMATION

Financial liabilities

Financial liabilities are subsequently measured at:

- i. amortised cost; or
- ii. fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- i. a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- ii. held for trading; or
- iii. initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- i. the right to receive cash flows from the asset has expired or been transferred;
- ii. all risk and rewards of ownership of the asset have been substantially transferred; and
- iii. the Company no longer controls the asset (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.



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FINANCIAL INFORMATION

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

De-recognition

Financial assets are de-recognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

At each the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

n) Application of new and revised accounting standards

A number of new or amended standards became applicable for the current reporting period and the Company has changed its accounting policies as a result of the adoption of the following standards. The adoption of these Accounting Standards and Interpretations did not have any significant impact to the financial performance or position of the entity.

o) New Accounting Standards for Application in Future Periods

At the date of authorisation of the financial report, a number of Standards and Interpretations including those Standards and Interpretations issued by the IASB/IFRIC, where an Australian equivalent has not been made by the AASB, were in issue but not yet effective for which the Entity has considered it unlikely for there to be a material impact on the financial statements.

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FINANCIAL INFORMATION

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of ACDC Metals Limited and Fish Hawk Resources Pty Ltd as at 30 June 2022 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2022:

- a) ACDC Metals Limited has raised \$100,000 and issued 1,000,000 fully paid ordinary shares with an issue price of \$0.10.
- b) ACDC Metals Limited has bought back a total of 16,000,001 fully paid ordinary shares with an issue price of \$0.001.
- c) ACDC Metals Limited has cancelled 350,000 fully paid ordinary shares with an issue price of \$0.001 and repriced 950,000 fully paid ordinary shares to an issue price of \$0.01
- d) ACDC Metals Limited has converted \$40,000 founder loans to 400,000 fully paid ordinary shares with an issue price of \$0.10
- e) ACDC Metals Limited issued 100,000 fully paid ordinary shares at a deemed value of \$10,000 as a sign on bonus to the Chief Executive Officer.

And the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- a) Fish Hawk Resources will be repaying Foment Inception Group Pty Ltd Loan \$28,300 and writing off \$29,814 and will repay the Rickie Pobjoy Loan a total of \$4,200.
- b) The issue of 40,000,000 ordinary shares at \$0.20 per share to raise \$8,000,000 as the Public Offer.
- c) Costs of the Public Offer include, capital raising fees to Lead Manager and costs of the Public Offer are estimated to be \$1,572,500. Including options issued to the lead manager of \$497,500. Of these costs, \$595,000 has been recognised in the Profit or Loss, and \$977,500 against equity.
- d) The issue of 5,000,000 unlisted options, exercisable at \$0.30 per option with an expiry date of three years from date of issue. These options will be issued to the Lead Manager or its nominees with a valuation of \$497,500.
- e) The issue of 6,000,000 fully paid ordinary shares at an issue price of \$0.20, 1,500,000 Class A Performance Rights with a value of \$0.20 per performance right and assessed at 75% probability, totalling \$225,000 will be paid as consideration to the Goschen Tenement Sale Agreement. Additional amounts of \$32,602 in cash and 586,991 ordinary shares at an issue price of \$0.20, totalling value at \$150,000 as reimbursement of prior expenditure incurred by Providence in developing the tenement.
- f) The issue of 6,000,000 fully paid ordinary shares at an issue price of \$0.20, 1,500,000 Class B Performance Rights with a value of \$0.20 per performance right and assessed at 35% probability, totalling \$105,000 will be paid as consideration to the Douglas Tenement Sale Agreement. Additional amounts of \$16,372 in cash and 168,139 ordinary shares at an issue price of \$0.20, totalling value at \$50,000 as reimbursement of prior expenditure incurred by Oro Plata in developing the tenement
- g) The issue of 2,500,000 Class C Performance Rights with a value of \$0.20 per performance right, assessed at 65% probability, total amount of \$325,000 and 750,000 Class D Performance Rights with a value of \$0.20 per performance right, assessed at 45% probability, total amount of \$67,500, as consideration for the Medallion Licensing Agreement.



6. FINANCIAL INFORMATION

- h) The issue of 2,500,000 fully paid ordinary shares at an issue price of \$0.10 with a deem fair value of \$0.20 amounting to \$500,000 and 600,000 deferred consideration shares at an issue price of \$0.20 assessed at 35% probability as consideration for the acquisition of Fish Hawk Resources.
- i) The issue of 4,550,000 unlisted options, exercisable at \$0.30 per option with an expiry date of three years from date of issue. These options and shares will be issued to the Directors, and Company Secretary of the Company as an incentive-based component of their remuneration with the value of \$393,025 recognised on grant date.

Note 3: Cash and Cash equivalents

	Pro forma after IPO
	\$
Cash and cash equivalents	7,422,691
ACDC Metals - Audited balance as at 30 June 2022	486,602
Fish Hawk - Audited balance as at 30 June 2022	713
<i>Subsequent events:</i>	
Pre-IPO Capital Raising	100,000
Share Buy Back and Cancellation	(16,000)
Cancellation of shares	(350)
Repriced shares	8,200
Total	91,850
<i>Pro-forma adjustments:</i>	
Proceeds from shares issued under the Public Offer	8,000,000
Expenses of the offer	(1,075,000)
Acquisition of Exploration Projects	(48,974)
Acquisition of Fish Hawk Resources	(32,500)
Total	6,843,526
Pro-forma Balance	7,422,691

6. FINANCIAL INFORMATION

Note 4: Exploration and evaluation expenditure

	Pro forma after IPO
	\$
Exploration and evaluation expenditure	3,563,404
ACDC Metals - Audited balance as at 30 June 2022	-
Fish Hawk - Audited balance as at 30 June 2022	4,351
<i>Pro-forma adjustments:</i>	
Acquisition of Exploration Projects	2,930,000
Acquisition of Fish Hawk Resources	629,053
Total	3,559,053
Pro-forma Balance	3,563,404

Note 5: Investment in subsidiary

	Pro forma after IPO
	\$
Investment in subsidiary	-
ACDC Metals - Audited balance as at 30 June 2022	-
Fish Hawk - Audited balance as at 30 June 2022	-
<i>Pro-forma adjustments:</i>	
Acquisition of Fish Hawk Resources	292,000
Consolidation entries on subsidiary acquisition	(292,000)
Total	-
Pro-forma Balance	-



6. FINANCIAL INFORMATION

Note 6: Intangible assets

	Pro forma after IPO
	\$
Intangible assets	385,000
ACDC Metals - Audited balance as at 30 June 2022	-
Fish Hawk - Audited balance as at 30 June 2022	-
<i>Pro-forma adjustments:</i>	
Acquisition of Medallion Licensing Agreement	385,000
Total	385,000
Pro-forma Balance	385,000

Note 7: Trade and other payables

	Pro forma after IPO
	\$
Trade and other payables	107,093
ACDC Metals - Audited balance as at 30 June 2022	73,460
Fish Hawk - Audited balance as at 30 June 2022	30,500
<i>Subsequent events:</i>	
Conversion of Founder Loan	(38,867)
Total	(38,867)
<i>Pro-forma adjustments:</i>	
Deferred acquisition consideration for Fish Hawk Resources*	42,000
Total	42,000
Pro-forma Balance	107,093

* The issue of 600,000 Shares to the Fish Hawk Vendors (or their nominees) in their respective proportions, upon the announcement of a JORC compliant Inferred Mineral Resource on the Watchem Tenements of at least 60Mt at 4% HM within 5 years from date of settlement of the acquisition; and to pay a 1.75% gross revenue royalty on the future revenue from the Watchem Tenements in respect of any minerals from the area within the boundaries of the Watchem Tenements to the Fish Hawk Vendors (or their nominees) in the respective proportions.

6. FINANCIAL INFORMATION

Note 8: Long-term borrowings

	Pro forma after IPO
	\$
Long-term borrowings	-
ACDC Metals - Audited balance as at 30 June 2022	-
Fish Hawk - Audited balance as at 30 June 2022	62,314
<i>Pro-forma adjustments:</i>	
Acquisition of Fish Hawk Resources	(62,314)
Total	(62,314)
Pro-forma Balance	-

Note 9: Equity

a) Issued Capital	Number of shares	Pro forma after IPO
	No	\$
Issued Capital	72,305,130	10,851,176
ACDC Metals - Audited balance as at 30 June 2022	31,900,001	635,800
Fish Hawk - Audited balance as at 30 June 2022	2	2
<i>Subsequent events:</i>		
Pre-IPO Capital Raising	1,000,000	100,000
Share Buy Back and Cancellation	(16,000,001)	(16,000)
Cancellation of shares	(350,000)	(350)
Repriced shares	-	8,200
Conversion of Founder Loan	400,000	40,000
CEO sign on bonus	100,000	10,000
Total	(14,850,001)	141,850
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under the Public Offer	40,000,000	8,000,000
Acquisition of Exploration Projects	12,755,130	2,551,026
Acquisition of Fish Hawk Resources	2,500,000	500,000
Issuance of shares to officer as part of remuneration		
Consolidation entries on subsidiary acquisition	(2)	(2)
Expenses of the offer	-	(977,500)
Total	55,255,128	10,073,524
Pro-forma Balance	72,305,130	10,851,176



6. FINANCIAL INFORMATION

Note 9: Equity (continued)

b) Reserve	No. of options	No. of performance rights	Pro forma after IPO
	No	No	\$
Reserve	9,550,000	6,250,000	1,605,525
ACDC Metals - Audited balance as at 30 June 2022	-	-	3,627
Fish Hawk - Audited balance as at 30 June 2022	-	-	-
<i>Subsequent events:</i>			
Conversion of Founder Loan	-	-	(3,627)
Total	-	-	(3,627)
<i>Pro-forma adjustments:</i>			
Proceeds from shares issued under the Public Offer	-	-	-
Acquisition of Exploration Projects	-	3,000,000	330,000
Acquisition of Medallion Licensing Agreement	-	3,250,000	385,000
Issuance of options to officers as part of remuneration	4,550,000	-	393,025
Issuance of Lead Manager Options	5,000,000	-	497,500
Total	9,550,000	6,250,000	1,605,525
Pro-forma Balance	9,550,000	6,250,000	1,605,525

The performance rights have the following milestones:

The Class A Performance Rights will vest upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 60 million tonnes (Mt) of heavy mineral sands (HM) concentrate @ 4.0% HM or greater at either of the tenements of the Douglas Project, as signed off by a competent person. The management has assessed a 75% probability of the milestone vesting.

The Class B Performance Rights will vest upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 10Mt of heavy mineral sands (HM) concentrate @ 2.0% HM or greater on the tenement of the Goschen Central Project, as signed off by a competent person. The management has assessed a 35% probability of the milestone vesting.

6. FINANCIAL INFORMATION

The Class C Performance Rights will vest upon the completion of the construction of a pilot processing plant of a size and scale as an independent technical consultant deems appropriate to demonstrate the technical and economic viability of the Medallion Monazite Process. The management has assessed a 65% probability of the milestone vesting.

The Class D Performance Rights will vest upon a mineral sand monazite processing refinery which has 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 Company and Medallion. The management has assessed a 40% probability of the milestone vesting.

The options issued to Directors, CEO and Company Secretary are detailed as follows:

		No. of options	Total Value	Expense recognised in Proforma	Vesting Condition
Mark Saxon	Executive Director	1,250,000	124,375	124,375	Immediately
Andrew Shearer	Non-Executive Director	1,250,000	124,375	124,375	Immediately
Ivan Fairhall	Non-Executive Director	600,000	59,700	59,700	Immediately
Richard Boyce	Non-Executive Director	600,000	59,700	59,700	Immediately
Tamara Barr	Company Secretary	250,000	24,875	24,875	Immediately
Thomas Davidson - Tranche 1	Chief Executive Officer	200,000	19,900	-	Vests after 6 months after commencement of employment
Thomas Davidson - Tranche 2	Chief Executive Officer	200,000	19,900	-	Vests after 12 months after commencement of employment
Thomas Davidson - Tranche 3	Chief Executive Officer	200,000	19,900	-	Vests after 24 months after commencement of employment
Total		4,550,000	452,725	393,025	



6. FINANCIAL INFORMATION

Note 9: Equity (continued)

Directors Options

	Directors Options
Number	4,550,000
Spot price	\$0.20
Exercise price	\$0.30
Expiry period	3 years
Expected volatility	90%
Risk free rate	3.62%
Fair value	\$0.0995
Fair value (\$)	\$452,725
Model	Black-Scholes Option Valuation
Vesting conditions	Various (refer to previous table)

Broker Options

	Broker Options
Number	5,000,000
Spot price	\$0.20
Exercise price	\$0.30
Expiry period	3 years
Expected volatility	90%
Risk free rate	3.62%
Fair value	\$0.0995
Fair value (\$)	\$497,500
Model	Black-Scholes Option Valuation
Vesting conditions	Immediately

c) Retained earnings

Pro forma after IPO

	\$
Accumulated Losses	(1,182,207)
ACDC Metals - Audited balance as at 30 June 2022	(216,490)
Fish Hawk - Audited balance as at 30 June 2022	(87,055)
<i>Subsequent events:</i>	
CEO sign on bonus	(10,000)
Transfer from convertible note reserve to retained earnings	3,627
Finance costs	(1,133)
Total	(7,506)
<i>Pro-forma adjustments:</i>	
Issuance of securities to officers as part of remuneration	(393,025)
Loan forgiveness in Fish Hawk Resources	29,814
Consolidation entries on subsidiary acquisition	87,055
Cost offer	(595,000)
Total	(871,156)
Pro-forma Balance	(1,182,207)

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FINANCIAL INFORMATION

Note 10: Related Parties

Refer to Section 9 of the Prospectus for the Board and Management Interests.

Note 11: Subsequent Events

The following events have occurred since 30 June 2022:

- a) ACDC Metals Limited has raised \$100,000 and issued 1,000,000 fully paid ordinary shares with an issue price of \$0.10.
- b) ACDC Metals Limited has bought back a total of 16,000,001 fully paid ordinary shares with an issue price of \$0.001.
- c) ACDC Metals Limited has cancelled 350,000 fully paid ordinary shares with an issue price of \$0.001 and repriced 950,000 fully paid ordinary shares to an issue price of \$0.01
- d) ACDC Metals Limited has converted \$40,000 founder loans to 400,000 fully paid ordinary shares with an issue price of \$0.10
- e) ACDC Metals Limited issued 100,000 fully paid ordinary shares at a deemed value of \$10,000 as a sign on bonus to the Chief Executive Officer.



7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks that have a direct influence on the Company, and its Projects and activities are set out in Section 5. Those key risks as well as other risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 7, and other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 7 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 7, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 7 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

Risk Category	Risk
Limited history	<p>The Company was incorporated on 28 September 2021 and has limited operating history and limited historical financial performance.</p> <p>The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty. Exploration has previously been conducted on the area of land that is the subject of the Tenements, however, the Company is yet to conduct its own exploration activities and under the terms of the Acquisition Agreements, will not commence these activities until the Company has been admitted to the Official List.</p> <p>No assurances can be given that the Company will achieve commercial viability through the successful test work and development of the MMP Technology and exploration and/or mining of its Tenements. Until the Company is able to realise value from its Projects, it is likely to incur ongoing operating losses.</p>

7. RISK FACTORS

Risk Category	Risk
<p>Contractual risk</p>	<p>The Company's interests in the Projects and the MMP Technology are subject to contracts with Providence, Oro Plata, the Fish Hawk Vendors and Medallion.</p> <p>The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreements and the Medallion Licensing Agreement.</p> <p>If the Company is unable to satisfy its undertakings under these agreements, the Company's interest in their subject matter may be jeopardised.</p> <p>If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>Refer to Section 9.2 for a summary of the Acquisition Agreements and Section 9.3 for a summary of the Medallion Licensing Agreement.</p>
<p>MMP Technology</p>	<p>The MMP Technology has been tested to bench scale and is now in pre-pilot stage and has not been proven at a commercial scale.</p> <p>The Company plans to undertake initial test work on the MMP Technology. The initial testing activities will be of a confirmatory nature to establish the efficacy of the MMP Technology on resources originated from south-eastern Australian HMS, which will enable MMP Technology's operating parameters and conditions to be fine-tuned to the specific requirements of both the Company's Projects' monazite and potential feedstock from third parties seeking to utilise the technology. There is a possibility that the MMP Technology may not be suitable for monazite sourced from the Company's Projects and resources originated from south-eastern Australian HMS.</p> <p>Additionally, further laboratory and engineering studies are required to advance to higher readiness levels, which are likely necessary to support the financing or successful commercial development of a MMP Technology plant. There is no certainty the results of such work will validate the results achieved to date. Any proposed development will be subject to risks usual with this type of development including but not limited to scale up risk, cost increases and commissioning risks.</p>



7.

RISK FACTORS

Risk Category	Risk
LAD Technology	<p>Pursuant to the Medallion Licensing Agreement, Medallion and ACDC have agreed to collaborate on advancing REE separation using the LAD Technology or other suitable technology to process mixed REE concentrate, on terms that would be set forth in a separate agreement.</p> <p>There is no guarantee that ACDC and Medallion will enter into a formal and binding agreement to fully document the terms of the collaboration between the parties and the collaboration between ACDC and Medallion to advance the LAD Technology may never eventuate.</p> <p>Further, the LAD Technology is at an early stage of development and there is no guarantee that it will be proven at a commercial scale, and any proposed development will be subject to scale up risk, cost increases and commissioning risk.</p>
Completion under Acquisition Agreements	<p>As identified in the Solicitor's Report on Tenements, the Company is not the registered owner of any of the Tenements as at the date of this Prospectus. The Company's right to acquire the Projects is subject to completion occurring under the Acquisition Agreements.</p> <p>In order for the Company to be able to achieve its stated objectives the Company is reliant on the vendors to complete the Acquisition Agreements and otherwise comply with their respective contractual obligations under the Acquisition Agreements, including certain post-settlement obligations.</p> <p>If any party defaults in the performance of their respective obligations under the Acquisition Agreements, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.</p> <p>The Board has no reason to believe that any of the vendors would fail to comply with their respective obligations under the Acquisition Agreements, including in respect of completion.</p> <p>In addition, the Board has no reason to believe that the transfers of the Tenements forming the Projects in the name of the Company will not be completed in the ordinary course of business subject to and in accordance with the Mineral Resources (Sustainable Development) Act 1990 (Mineral Resources Act).</p> <p>Notwithstanding the above, there remains a risk that completion of the Acquisition Agreements may not occur or that registration of one or more of the Tenements in the name of the Company may not complete.</p>

7.

RISK FACTORS

Risk Category	Risk
Exploration and operations	<p>The Tenements comprising the Projects are at various stages of exploration, and prospective investors should understand that mineral exploration and development are high-risk undertakings.</p> <p>There can be no assurance that future exploration of these exploration licences, or any other mineral licences that may be acquired or granted in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Aboriginal heritage factors, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to maintain title to the mineral exploration licences forming the Projects and obtaining all required approvals for their contemplated activities. In the event that exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Projects, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licences forming the Projects.</p>



7.

RISK FACTORS

Risk Category	Risk
Access and third-party interests	<p>A number of the Tenements respectively overlap certain third party interests that may limit the Company's ability to conduct exploration and mining activities including Crownland, flora and fauna reserves, pastoral leases, private/freehold land and encroachment by other tenements and tenement applications.</p> <p>There is a substantial level of regulation and restriction on the ability of exploration and mining companies have access to land in Australia. Negotiations with both Native Title and landowners/occupiers are generally required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.</p> <p>Given that Providence (being the current tenement holder) has been unable to work on the Goschen Central Project and meet the July 2021 to June 2022 minimum annual expenditure commitments due to COVID restrictions in Victoria during 2021 and 2022, the Company has requested that the Victorian Department for Resources (DEDJTR) on 6 July 2022 that the July 2021 to June 2022 minimum annual expenditure commitments be carried over to the remaining term of the tenement. The Company is not aware of any reason why this request will not be granted by DEDJTR. If the request is not granted, there remains a risk that the Company may be subject to a fine or the tenement may be subject to forfeiture.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B for further details.</p>

7.

RISK FACTORS

Risk Category	Risk
Applications and Renewals	<p data-bbox="667 439 1428 913">Applications</p> <p data-bbox="667 439 1428 913">The Tenements are at various stages of application and grant. Specifically, the Tenements forming the Watchem Project are currently under application. There can be no assurance that the Tenements in application status that are currently pending will be granted. There also can be no assurance that if the Tenements are granted, it will be granted in its entirety. Additionally, some of the Tenement areas applied for may be excluded. The Company is unaware of any circumstances that would prevent the Tenements in application status from being granted, other than the competing applications. If any of the Tenements in application status are not granted or are only granted for part of the area applied for, the Company will lose the benefit of certain areas of those Tenements for its exploration activities.</p> <p data-bbox="667 943 1428 1193">However, under the Fish Hawk Share Sale Agreement, in the event that Tenements forming the Watchem Project are not granted within 12 months of the payment of the consideration by the Company under the Fish Hawk Share Sale Agreement, the Company may buy-back and cancel the consideration which has been issued to the Fish Hawk Shareholders (or their nominees) and require the repayment of any amounts paid to Fish Hawk.</p> <p data-bbox="667 1223 1428 1308">Please refer to the Solicitor’s Report on Tenements in Annexure B for further information on the Company’s Tenement applications.</p> <p data-bbox="667 1337 1428 1361">Renewal</p> <p data-bbox="667 1391 1428 1704">Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the Tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.</p> <p data-bbox="667 1733 1428 1951">The Company considers the likelihood of tenure forfeiture to be low given the laws and regulations governing exploration in Victoria and the ongoing expenditure budgeted for by the Company. However, the consequence of forfeiture or involuntary surrender of a granted Tenement for reasons beyond the control of the Company could be significant.</p> <p data-bbox="667 1980 1428 2033">Please refer to the Solicitor’s Report on Tenements in Annexure B for further details.</p>



7.

RISK FACTORS

Risk Category	Risk
Control	<p>Following completion of the Offer, the voting power of Medallion in the Company could be as high as 17.7%. Accordingly, Medallion's significant interest in the capital of the Company means that it may be in a position to potentially influence the election of directors and the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p> <p>Further details in respect of the substantial Shareholder interests are set out in Section 5.9.</p>
Radioactivity Risk	<p>Mineral sands naturally contain low levels of radioactive materials, being uranium and thorium, which are mostly contained with the minerals zircon and monazite. As the valuable heavy minerals are concentrated and the sand is removed, small amounts of uranium and thorium are also concentrated in the heavy mineral concentrate (HMC). As such, HMS found on the Projects are anticipated to be associated with levels of natural occurring radiation material (NORM) above background levels, and production of saleable HMS concentrates and REE-bearing products will require handling, transport and disposal or sale of radioactive elements. In Victoria, for example, the framework for regulation is under the Radiation Act 2005 and it sets out limits for the amount of radiation to which a worker can be exposed and companies are required to monitor and report radiation levels throughout the life of the project. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits to handle, transport, dispose of or sell radioactive materials, should a viable economic resource be identified.</p>
Related party	<p>The Company has a number of key contractual relationships with related parties. If these relationships breakdown and the related party agreements are terminated, there is a risk that the Company may not be able to find a satisfactory replacement.</p> <p>Further, the operations of the Company will require involvement of related parties and other third parties including suppliers, manufacturers and customers. With respect to these persons and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:</p> <ol style="list-style-type: none">financial failure or default by a participant in any agreement to which the Company may become a party; and/orinsolvency, default on performance or delivery by any operators, contractors or service providers. <p>There is also a risk that where the Company has engaged a contractor who is a related party, the contract between the contractor and the Company may terminate for reasons outside of the control of the Company. This may then result in the termination of the contract between the Company and the contractor and the impact the Company's position, performance and reputation.</p>

7. RISK FACTORS

7.3 Industry specific risks

Risk Category	Risk
Native title and Aboriginal Heritage	<p>In relation to tenements which the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.</p> <p>There are currently registered native title claims over EL7544 and ELA7642.</p> <p>Further to this, an Indigenous Land Use Agreement (ILUA) is registered against EL7544, ELA7642 and EL5278. The terms and conditions of any such ILUA may be unfavourable for, or restrictive against, the Company.</p> <p>In addition, EL5278, EL7544, EL7545, ELA7642, and ELA7932 contain Aboriginal heritage sites of significance which have been registered with the Department of Indigenous Affairs. Approvals are required if these sites will be impacted by exploration or mining activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.</p> <p>The Directors will closely monitor the potential effect of native title claims or Aboriginal heritage matters involving tenements in which the Company has or may have an interest.</p> <p>Please refer to the Solicitor's Report on Tenements in Annexure B of this Prospectus for further details.</p>
Exploration costs	<p>The exploration costs of the Company as summarised in Section 5.7 are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Company's viability.</p>



7.

RISK FACTORS

Risk Category	Risk
Resource and reserves and exploration targets	<p>The Company does not presently have any JORC Code compliant resources on the Tenements in which it is earning an interest. The Company has identified a number of historic, non-JORC compliant, exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data, however, exists to provide certainty over the extent of the mineralisation. Whilst the Company intends to undertake additional exploration works with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified no assurance can be provided that this can be economically extracted.</p>
Grant of future authorisations to explore and mine	<p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>
Mine development	<p>Possible future development of mining operations at the Projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.</p> <p>If the Company commences production on one of the Projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of the Projects.</p> <p>The risks associated with the development of a mine will be considered in full should the Projects reach that stage and will be managed with ongoing consideration of stakeholder interests.</p>

7.

RISK FACTORS

Risk Category	Risk
Climate	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none">a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; andb) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.



7.

RISK FACTORS

Risk Category	Risk
Environmental	<p>The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.</p> <p>Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p> <p>The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive.</p> <p>Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programs or mining activities.</p>

7.

RISK FACTORS

Risk Category	Risk
Regulatory compliance	Regulatory Risks <p>The Company's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and Aboriginal heritage matters, protection of endangered and protected species and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities.</p> <p>While the Company believes that it will operate in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its properties, which could have a material adverse impact on the Company's current operations or planned activities.</p> <p>Obtaining necessary permits can be a time-consuming process and there is a risk that Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.</p>
Research and Development	<p>The Company can make no representation that any of its research into or development of the MMP Technology and the LAD Technology will be successful, that the development milestones will be achieved or that the MMP Technology and the LAD Technology will be developed into products that are commercially viable.</p>



7. RISK FACTORS

7.4 General Risks

Risk Category	Risk
Future funding requirements and the ability to access debt and equity markets	<p>The funds raised under the Offer are considered sufficient to meet the key objectives of the Company.</p> <p>In the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, the initial MMP Technology test work is successful, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.</p> <p>In addition, should the Company consider that its exploration results justify commencement of production on any of its Projects or its results from the initial MMP Technology test work justify further test work, additional funding may be required to implement the Company's development plans, the quantum of which remain unknown at the date of this Prospectus.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest as well as delay in advancement and development of the MMP Technology and the LAD Technology. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p> <p>The Company may undertake additional offerings of Securities in the future and has indicated that it will undertake an issue of Loyalty Options within the first 2 months following listing. As a result of the issue of the additional Shares on exercise of Options, the interests of existing Shareholders may be diluted.</p>

7.

RISK FACTORS

Risk Category	Risk
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of its Shares remains unknown. The Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>



7. RISK FACTORS

7.4 General Risks

Risk Category	Risk
COVID-19	<p>Coronavirus disease (SARS-CoV-2 (severe acute respiratory syndrome coronavirus 2), coronavirus disease 2019 or COVID 19, including any future resurgence or evolutions or mutations thereof or any related or associated epidemic, pandemic or disease outbreak) (COVID-19) is continuing to impact global economic markets. The nature and extent of the effect of COVID-19 on the performance of the Company remains unknown. The market price of Shares may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>In addition, the effects of COVID-19 on the market price of the Shares and global financial markets generally may also affect the Company's ability to raise equity or debt if and when required or require the Company to issue capital at a discount, which may result in dilution for some or all Shareholders.</p>
Competition	<p>The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.</p>
Currently no market	<p>There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer.</p> <p>The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.</p> <p>There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.</p>

7.

RISK FACTORS

Risk Category	Risk
Market conditions	<p>Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none">a) general economic outlook;b) introduction of tax reform or other new legislation;c) interest rates and inflation rates;d) global health epidemics or pandemics;e) currency fluctuations;f) changes in investor sentiment toward particular market sectors;g) the demand for, and supply of, capital;h) political tensions; andi) terrorism or other hostilities. <p>The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market, and in particular securities of exploration companies experience extreme price and volume fluctuations that have often been unrelated to the operating performance of such companies. These factors may materially affect the market price of the shares regardless of the Company's performance.</p> <p>In addition, after the end of the relevant escrow periods affecting Shares in the Company, a significant sale of then tradeable Shares (or the market perception that such a sale might occur) could have an adverse effect on the Company's Share price. Please refer to Section 5.11 for further details on the Shares likely to be classified by the ASX as restricted securities.</p>



7.

RISK FACTORS

Risk Category	Risk
Commodity price volatility and exchange rate	<p>If the Company achieves success with the MMP Technology test work and/or exploration and development leading to production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are typically denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>
Government policy changes	<p>Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Company. It is possible that the current system of exploration and mine permitting in Victoria may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.</p>
Insurance	<p>The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.</p> <p>Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.</p>
Force Majeure	<p>The Company's existing Projects or projects acquired in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.</p>

7.

RISK FACTORS

Risk Category	Risk
Dilution	<p>In the future, the Company may elect to issue Shares or engage in capital raisings to fund operations and growth, for investments or acquisitions that the Company may decide to undertake, to repay debt or for any other reason the Board may determine at the relevant time.</p> <p>While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12 month period (other than where exceptions apply), Shareholder interests may be diluted as a result of such issues of Shares or other securities.</p>
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Litigation	<p>The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.</p>

7.5 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities.

Prospective investors should consider that an investment in the Company is highly speculative.

The Securities offered under this Prospectus carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX.

Before deciding whether to subscribe for Securities under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.



8.

BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

8.1 Board of Directors

The Board of the Company consists of:

a) Andrew Shearer (Applied Geology), Hons (Geophysics), MBA – Non-Executive Chairman

Mr Andrew Shearer has over 25 years' experience in the finance and resource sectors, with an ability to combine both technical and financial experience in the assessment of projects and companies. He has an extensive network of contacts from both the mining and finance communities, providing opportunities to develop new projects and source market information.

Mr Shearer's previous roles include Senior Resources Analyst at PAC Partners, Resources Analyst at Taylor Collison, senior management and technical roles with Mount Isa Mines, Glengarry Resources and the South Australian Government. Mr Shearer is currently a Technical Consultant to PAC Partners, the Lead Manager to the Public Offer.

During the past three years, Mr Shearer has also served as a director of the following listed companies:

- i. Non-Executive Director of Andromeda Metals Limited (ASX:ADN) (commenced 27 October 2017- August 2022);
- ii. Non-Executive Director of Investigator Resources Limited (ASX:IVR) (commenced 14 July 2020 – present);
- iii. Non-Executive Director of Resolution Minerals Limited (ASX:RML) (commenced 16 March 2017 – September 2022);
- iv. Non-Executive Director of Okapi Resources Limited (ASX:OKR) (commenced 21 July 2020 – 10 May 2021); and
- v. Executive Director of Osmond Minerals (ASX:OSM) –(Commenced September 2021 – current).

The Board considers that Andrew Shearer is an independent Director.

b) Mark Saxon (Honours BSc) – Executive Director

Mr Mark Saxon brings thirty years of experience in the resources industry, representing junior and senior companies in Australia, Canada and Europe. An Honours BSc graduate in Geology from the University of Melbourne, he received a Graduate Diploma of Applied Finance and Investment in 2007. He is a fellow of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists.

Mr Saxon's experience covers most facets of the exploration and mining business in a wide range of geological environments, with a particular focus on discovery, processing, marketing and the political context of critical raw materials. In recent years he was founder, Director and CEO of Tasman Metals Ltd (TSX.v) and Leading Edge Materials Corp (TSX.v). He is currently an executive director of Medallion Resources Ltd (TSX.v) and CEO of T2 Metals Corp (TSX.v).

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BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

In the last three years Mr Saxon has served as a director on the following listed companies:

- i. Leading Edge Materials Corp (TSXv:LEM) (25 August 2016 – 4 May 2020);
- ii. CEO and a director of Medallion Resources Ltd (TSXv:MDL) (22 May 2020 – 24 October 2022);
- iii. Executive director of Medallion Resources Ltd (TSXv:MDL) (24 October 2022 – current)
- iv. Non-executive director of Energy Transition Minerals Ltd (ASX:GGG) (22 August 2022) and
- v. T2 Metals Corp (TSXv:TWO) (23 July 2020 – present).

The Board does not consider that Mark Saxon is an independent Director.

c) Ivan Fairhall (Honours BEng. Mech, BBus) – Non-Executive Director

Mr Ivan Fairhall is a Chartered Engineer and a mine finance professional with over 15 years' experience in the mining industry.

Mr Fairhall is currently a Director and CEO of Mawson Gold Ltd (MAW:TSX), a gold-cobalt exploration and development company. Prior to this, Ivan was Senior Investment Manager at Greenstone Resources, a London based mining private equity fund with almost US\$500m AUM, investing in development stage resources companies. Ivan was integral in sourcing, executing and managing a portfolio of Greenstone's investments, which covered the base, precious and non-exchange traded commodities across a global mandate. Ivan represented Greenstone both on public company boards and on project level steering groups. Previously he worked in design, construction and commissioning roles, and has considerable experience managing pre-development studies across the commodity and geographic spectrum.

Ivan brings senior level mining experience across a broad suite of commodities from exploration through commissioning and into production, helping bridge technical considerations with corporate strategy to the ACDC board.

During the past three years, Mr. Fairhall has also served as a Director of the following listed companies:

- i. Director and CEO of Mawson Gold Ltd (MAW:TSX) (commenced 27 November 2021 - present)
- ii. Non-Executive Director of Northern Vertex Corp (NEE:TSXV) (commenced 30 October 2019 – 16 February 2021)

The Board considers that Ivan Fairhall is an independent Director.



8.

BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

d) Richard Boyce (CA, MFinPlan, MAICD, TA) – Non-Executive Director

Mr Boyce is a practicing Chartered Accountant and tax agent with over 25 years' experience. Mr Boyce holds a Master's in financial planning from Deakin University, is an AICD member and is one of Australia's foremost subject matter experts on Family Offices, Private Investment Capital and Governance.

Richard has worked with leading high growth UHNW entrepreneurial families throughout Asia. Richard is a former Private Client Tax Partner with EY, led the EY ASIA Pacific Family Office Practice, and is a co-author of the EY Global Family Office Leading Practice Guide. He is an academic director of the global Family Firm Institute (FFI) based in Boston, a strategic consultant to Family Business Australia and NZ (FBANZ), Former Chair of RMIT University School of Accounting industry group, and current independent board member to UHNW generational family enterprises.

Richard brings extensive experience in high growth companies, governance, capital markets and financial management to the ACDC Board.

Current board positions include the following:

- i. Boyce Family Office Pty Ltd – Executive Director (July 2000 to present – 22yrs)
- ii. Daisy's Garden Supplies Pty Ltd - Director (February 2021 to present – 1.5yrs)
- iii. Kyvalley Dairy Group Pty Ltd – Director (October 2016 – 5.8yrs)

Richard is also a director of Bonica Pty Ltd (a shareholder in ACDC and a related party by virtue of being an entity controlled by Richard (proposed director of ACDC) and his wife, Lea Boyce).

The Board considers that Richard Boyce is an independent Director.

The Board has considered the Company's immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board represents an appropriate range of experience, qualifications and skills at this time.

8.2 Key Management Personnel

a) Thomas (Tom) Davidson (BEng Mech) – Chief Executive Officer

Mr Davidson is a Chartered Mechanical Engineer and an accomplished project Manager and has 15 years' experience in the resource industry. He has held senior technical and management roles through all stages of the project development lifecycle, for projects and clients in a variety of jurisdictions and financial markets. His particular career focus has been on evaluation of economic viability for a range of global mining operations and commodities through due diligences and authoring feasibility reports across the major mining exchanges.

Tom's recent employment history includes Project Manager roles with Beca Group Limited, most recently as Project Manager via secondment to St Barbara Limited where he has led the Simberi Sulphide (PNG gold mine) expansion project through feasibility and pre-investment phase for the past two (2) years.

b) Tamara Barr – Company Secretary

Tamara is a highly experienced ASX company secretary with over 16 years' experience practising as a Company Secretary and Corporate Governance Advisor across a variety of sectors and industries. She has worked predominantly in Australia, as well as in the UK and Europe, providing company secretarial advice and service to ASX listed, Public and NFP companies. Tamara is Managing Director of corporate services firm, Clear Sky Blue Pty Ltd, where she works closely with boards to enhance their corporate governance procedures. Tamara is an Affiliated Member Company Secretary (GIA).

8.

BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

8.3 Directors' Disclosures

No Director has been the subject of (or was a director of a company that has been subject to) any legal or disciplinary action in Australia or elsewhere in the last ten years which is relevant or material to the performance of their role with the Company or which is relevant to an investor's decision as to whether to subscribe for Shares under the Offer.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

8.4 Directors' Remuneration and Interests in Securities

Remuneration

Given that the Company was incorporated on 28 September 2021, the Directors did not receive any remuneration for the financial year ended 30 June 2021. The Directors will receive remuneration for the current financial year as set out in the table below.

Director	Remuneration for the year ending 30 June 2023 ¹	Remuneration for the year ending 30 June 2024
Andrew Shearer	35,210	65,000
Mark Saxon	41,440	76,500
Ivan Fairhall	24,650	45,500
Richard Boyce	24,650	45,500

Notes:

1. Annual remuneration to be paid pro-rata on a monthly basis, commencing from the date the Company is admitted to the Official Quotation or the commencement date of the relevant agreement (as applicable). Includes per annum base salary or Directors' fees (as applicable) and excludes superannuation or GST (as applicable).

Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Options	Percentage (%)	
			Undiluted	Fully Diluted
Andrew Shearer	2,100,000 ¹	-	12.32%	12.32%
Mark Saxon	2,100,000 ²	-	12.32%	12.32%
Ivan Fairhall	200,000 ³	-	1.17%	1.17%
Richard Boyce	350,000 ⁴	-	2.05%	2.05%

Notes:

1. Indirectly held by Valas Investments Pty Ltd ATF Valas Investment A/C (an entity controlled by Director, Andrew Shearer).
2. Comprising of 2,000,000 Shares indirectly held by Ridley Super Fund ATF Mark Stephen Saxon and Paula Saxon A/C and 100,000 Shares held by Sierra Peru Pty Ltd (an entity controlled by Director, Mark Saxon).
3. Indirectly held by Salford Capital Pty Ltd (an entity controlled by Director, Ivan Fairhall).
4. Indirectly held by Bonica Pty Ltd ATF Bonica Family Trust (an entity controlled by Director, Richard Boyce).



8.

BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

Post-completion of the Offer (assuming Full Subscription) and Acquisitions

Director	Shares	Options ¹	Full Subscription (%)	
			Undiluted	Fully Diluted
Andrew Shearer	2,100,000 ²	1,250,000	4.63%	3.80%
Mark Saxon	2,100,000 ³	1,250,000	4.63%	3.80%
Ivan Fairhall	200,000 ⁴	600,000	1.11%	0.91%
Richard Boyce	350,000 ⁵	600,000	1.31%	1.08%

Notes:

1. The Company has agreed to issue to the Directors Officer Options, exercisable at \$0.30 each on or before the date that is three from the date of issue of the Officer Options, as part of their remuneration package and under the Officer Options Offer.
2. Indirectly held by Valas Investments Pty Ltd ATF Valas Investment A/C (an entity controlled by Director, Andrew Shearer).
3. Comprising of 2,000,000 Shares indirectly held by Ridley Super Fund ATF Mark Stephen Saxon and Paula Saxon A/C and 100,000 Shares held by Sierra Peru Pty Ltd (an entity controlled by Director, Mark Saxon).
4. Indirectly held by Salford Capital Pty Ltd (an entity controlled by Director, Ivan Fairhall).
5. Indirectly held by Bonica Pty Ltd ATF Bonica Family Trust (an entity controlled by Director, Richard Boyce).

The Constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$500,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive Director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee. In addition, the Directors (and their associates) may apply for Shares under the Offer. If one or more of the Directors (or their spouses or associates) do apply for, and are allocated, Shares under the Offer, the figures in the above table will be affected.

The Company will notify ASX of the Directors' interests in the Securities of the Company at the time of Admission in accordance with the ASX Listing Rules.

8.5 Agreements with Directors and related parties

The Company's policy in respect of related party arrangements is:

- a) a Director or a former Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

The agreements between the Company and related parties are summarised in Sections 9.2.1, 9.2.2 and 9.3.

The Company notes that Mark Saxon, a Director and Shareholder of the Company, is also an executive director and a minority shareholder of Medallion. Although Medallion is a substantial shareholder of the Company and a party to the Medallion Licensing Agreement, it is not deemed to be a related party of the Company as Mr Mark Saxon does not control Medallion. The Company, however, has implemented the appropriate conflict management procedures to ensure that it maintains compliance with the Corporations Act and ASX Listing Rules.

8.

BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

8.6 Corporate governance

a) ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.acdcmetals.com.au.

b) Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- i. maintain and increase Shareholder value;
- ii. ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- iii. ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- i. leading and setting the strategic direction, values and objectives of the Company;
- ii. appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- iii. overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- iv. approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- v. overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- vi. establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;



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BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

- vii. overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- viii. reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- ix. approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

c) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- i. membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- ii. the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of one Non-Executive Chairman who is not considered an independent Director and two Non-Executive Directors who are considered to be independent Directors. The Board considers the current balance of skills and expertise to be appropriate given the Company's size and its currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

d) Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

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BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

e) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

f) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

g) Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

h) Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e., Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that, the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

i) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.



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BOARD AND KEY MANAGEMENT, CORPORATE GOVERNANCE AND ESG

j) Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to:

- i. monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- ii. verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- iii. monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- iv. management of the Company's relationships with external auditors.

k) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance with and departures from the Recommendations will also be announced prior to Admission.

8.7 Environmental, Social and Governance (ESG)

Underpinning the business model of the Company is a commitment to sustainability through adherence to high standards of Environmental Social Governance (**ESG**). The Company aspires to have industry leading credentials in ESG with a focus on:

- a) Environment - the Company is committed to safeguarding the environment and managing potential impacts on water, land and air quality.
- b) Climate Change - the Company recognises that climate change is a shared global challenge that requires collective action between business, government and society. The Company supports the move to a low emission economy to reduce future climate change impacts and avoid increasing their severity.
- c) Social - strong community relationships are the foundation of our social licence to operate and we aim to make a meaningful contribution and engagement with the communities in the regions where our projects are located.
- d) People - we aim to create an inclusive and supportive workplace, where people are empowered and aligned. Our future success and ability to execute our strategic plan depends on attracting and retaining the right people with the right skills.
- e) Governance - we support on-going development of good corporate governance and believe that high standards of governance create a corporate culture that values integrity and ethical behaviour. Strong, effective governance is essential for earning the trust of our stakeholders.

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MATERIAL CONTRACTS

The Directors consider that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this Prospectus for the purpose of making an informed assessment of an investment in the Company under the Offer.

This Section contains a summary of the material contracts and their substantive terms which are not otherwise disclosed elsewhere in this Prospectus.

To fully understand all rights and obligations of a material contract, it is necessary to review it in full and these summaries should be read in this light.

9.1 Capital raising agreements

9.1.1 Lead Manager Mandate

On 1 December 2021, the Company entered into a mandate to engage PAC Partners Securities Pty Ltd (ACN 623 653 912) (**Lead Manager** or **PAC Partners**), authorised representative of PAC Asset Management Pty Ltd (AFSL No. 335374), pursuant to which the Lead Manager has agreed to act as lead manager in relation to the Offer (**Lead Manager Mandate**). The material terms and conditions of which are summarised below:

Scope of Work/Services	<p>Pursuant to the Lead Manager Mandate, the Lead Manager will provide the following services to the Company:</p> <ul style="list-style-type: none">a) provide advice as to the appropriate timing, pricing and structuring of the Offer;b) in conjunction with the Company's professional advisers, assisting with dealings with ASIC and the ASX in relation to the Offer;c) assisting the Company with its due diligence process;d) assisting and providing input on the framework of the Prospectus for the Offer, which is to be prepared by the Company in conjunction with the Company's legal, accounting and other advisers;e) liaising as reasonably necessary with the Company's legal, accounting, taxation and other regulatory advisers;f) managing the demand book build and determining the securities allocation policy in consultation with the Company and co-ordinating the allocation process;g) assisting in ensuring that securities under the Offer are only offered and issued to investors to which the securities can lawfully ordered and issued by the Company;h) managing the book build and determining the Share allocation policy in consultation with the Company in connection with the Offer and co-ordinating the allocation process;i) assisting the Company in their preparation of investor presentation materials and the marketing of the Offer;j) holding and maintaining all necessary licences and authorisations, including an AFSL, necessary for the Lead Manager to perform its obligations under the Lead Manager Mandate;k) conducting detailed internal sales briefings;l) organising investor roadshows;m) assisting in the Offer application process and other administration aspects;n) providing strategic market advice as required during the Offer period; ando) providing advice with respect to mergers and acquisitions, equity capital markets and corporate advisory work up until listing on the ASX and for a 12-month period following the Offer.
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Fees	<p>In consideration for the services provided by the Lead Manager to the Company:</p> <ul style="list-style-type: none">a) on the settlement date of the Offer, the Company must pay the Lead Manager:<ul style="list-style-type: none">i. a management fee equal to 2% of total funds raised under the Offer (being, \$160,000) (plus GST); andii. a selling fee of 4% on the Lead Manager's allocation to the Offer (plus GST);b) the Company will issue the Lead Manager (or its nominee) 5,000,000 unlisted Options, exercisable at \$0.30 each, on or before the date that is 3 years from the date of issue of the Options;c) the Company will reimburse the Lead Manager periodically, upon request and subject to satisfactory evidence of such expenditure being provided, for all reasonable out-of-pocket and travel expenses (including any applicable GST) incurred by the Lead Manager in connection with the Offer and services provided under the Lead Manager Mandate. The Lead Manager will seek the Company's approval for any one-off out of pocket or travel expense that exceeds \$2,000, such approval should not be unreasonably withheld. The Lead Manager agrees that the total reimbursement incurred by the Lead Manager and payable by the Company under the Lead Manager Mandate shall not exceed \$5,000 unless otherwise approved by the Company in writing in advance.
Expenses	<ul style="list-style-type: none">a) The Company will be responsible for the reasonable fees and disbursements of the legal and other professional advisers retained by the Lead Manager for the purpose of carrying out the Lead Manager Mandate. Reimbursement shall not exceed \$5,000 unless otherwise approved by the Company in writing in advance; andb) the Company is responsible for all ASX fees in connection with the Public Offer (including any ASX settlement fees and any settlement facilitation fees) incurred by the Lead Manager. The Company shall reimburse the Lead Manager within 10 business days of having received an invoice from the Lead Manager.
Termination Events	<p>The Lead Manager Mandate may be terminated by the Lead Manager or the Company by written notice at any time with or without cause upon 7 days written notice to the other part.</p>
Right of First Refusal	<p>The Lead Manager recognises that the Company may be seeking to raise further equity capital financing post its IPO. Subject to the successful completion of the Offer, the Company hereby agrees to offer the Lead Manager a first right of refusal to be appointed as lead manager and bookrunner of any further equity capital financing on agreed and competitive arms-length market terms and conditions for 12 months following completion of the Offer.</p>

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The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2 Acquisition Agreements

9.2.1 Goschen Tenement Sale Agreement

The Company and ACDC Metals has entered into a binding heads of agreement with Providence (a related party of the Company by virtue of being an entity controlled by former Director, Thomas Burrowes) on 20 September 2022 (**Goschen Tenement Sale Agreement**), the material terms and conditions of which are summarised below.

The Goschen Tenement Sale Agreement was negotiated on arm's length terms by the non-interested Directors.

Acquisition	ACDC Metals, a wholly owned subsidiary of the Company, has agreed to acquire an initial 80% legal and beneficial interest in EL5278 (Goschen Tenement) and all associated technical information from Providence.
Consideration	In consideration for the acquisition, the Company agrees to issue Providence (or its nominee): <ul style="list-style-type: none"> a) 6,000,000 Shares; and b) 1,500,000 Performance Rights which will convert into 1,500,000 Shares upon the delineation of an Inferred Mineral Resource (reported 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 the Goschen Tenement (Goschen Milestone) on or before the date that is 5 years from the date of issue of the Performance Rights.
Reimbursement of Expenditure	<ul style="list-style-type: none"> a) In addition to the consideration, subject to Providence providing evidence of historical expenditure incurred in developing the Goschen Tenement (to the reasonable satisfaction of the Company and in accordance with the requirements of the Listing Rules) and paragraph (b) below, the Company agrees to pay Providence \$150,000 in cash (Goschen Reimbursement Amount) as a reimbursement of prior expenditure incurred by Providence in developing the Goschen Tenement. b) Where the Company is not provided with evidence of historical expenditure for the full Goschen Reimbursement Amount, the shortfall between the Goschen Reimbursement Amount and the amount for which evidence has been provided (as determined by the Company acting reasonably) (Goschen Shortfall Amount), shall be satisfied in Shares at a deemed issue price of \$0.20 per Share (Goschen Shortfall Shares).



9. MATERIAL CONTRACTS

<p>Conditions Precedent</p>	<p>Completion of the acquisition is subject to satisfaction (or waiver) of the following conditions precedent on or before 31 December 2022 (or such later date as agreed between the parties):</p> <ul style="list-style-type: none"> a) completion of financial, legal and technical due diligence by ACDC Metals on the Goschen Tenement, to the absolute satisfaction of ACDC Metals on or before completion of the Offer; b) the Company undertaking a capital raising and receiving valid applications for at least AUD\$5,000,000 worth of Shares under the capital raising (being, the purpose of the Offer); c) the Company receiving conditional approval from the ASX to admit its securities to the official list of ASX on customary conditions and those conditions being to the reasonable satisfaction of the Company; and d) the parties obtaining all necessary legal and regulatory approvals, consents or waivers pursuant to the ASX Listing Rules, the Corporations Act or any other law to allow the Parties to lawfully complete the matters set out in the agreement (including that the terms and conditions of the Performance Rights are appropriate and equitable for the purposes of Listing Rules 6.1 and 6.2 and the approval by ASX of the payment of the Goschen Reimbursement Amount).
<p>Settlement</p>	<p>Completion of the acquisition will occur on that date which is two (2) business days after the satisfaction or waiver of the last of the conditions precedent.</p>
<p>Joint Venture</p>	<ul style="list-style-type: none"> a) Upon ACDC Metals completing a DFS (defined below) in respect of the Goschen Tenement, the parties shall form an unincorporated joint venture using the AMPLA Model Exploration JV Agreement V2 2010 (AMPLA Model) for the purpose of carrying out joint venture activities at the Goschen Tenement (Goschen Joint Venture) at which time, the participating interests of the parties will be as follows: <ul style="list-style-type: none"> Providence: 20% ACDC Metals: 80% <p>(Commencement Date). At the Commencement Date, ACDC Metals will be the manager of the Goschen Joint Venture.</p> b) If Providence elects not to contribute its 20% share after completion of a DFS, ACDC Metals will fund all costs at the Goschen Tenement from that date, and Providence's participating interest will be diluted in accordance with the AMPLA Model A/(A+B) dilution formula. Once Providence's participating interest has diluted to 5%, its interest in the Goschen Tenement will automatically convert to a 1.75% gross royalty (Ex Mine Gate) (based on the AMPLA Model Minerals Royalty Deed V2 2014).

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<p>Joint Venture</p>	<p>c) On request of the ACDC Metals, the Providence must, at its own cost and expense, execute and deliver all documents (and pay any duty and other transfer costs) necessary to complete and register the assignment and transfer of the applicable participating interest to the Purchaser pursuant to this clause. Either Party may at any time register its interest or a caveat against the Tenement to protect its interests under this clause.</p> <p>d) DFS means a study of the technical, commercial and economic feasibility of mining operations, which includes all available exploration, geological, engineering and other relevant data and capital and operating cost estimates and (if appropriate) marketing studies in sufficient detail to enable options for optimum development, mining and treatment to be identified in reasonable detail, including:</p> <ul style="list-style-type: none"> i. exploration results and estimates of Mineral Resources, and Proven and Probable Ore Reserves (all as defined in the JORC Code); ii. the proposed methods of development, mining and treatment, including the extraction, beneficiation and transportation of ore and the treatment and production of minerals, including waste disposal; iii. an estimate of operating levels, environmental costs, shutdown and rehabilitation costs, including an estimate of required capital expenditure and operating costs; iv. an economic evaluation of the proposed development, mining and treatment and the marketing and sale of the minerals including a comparative analysis of the effect of various assumptions, financing methods, operating costs and taxation; and v. a schedule of relevant authorisations required to be obtained before mining may commence. <p>The study must comply with all relevant regulatory requirements, including, without limitation, Chapter 5 of the Listing Rules and the JORC Code, and otherwise be of a standard which is consistent with such studies within the industry in which ACDC Metals operates.</p>
<p>Maintenance of Goschen Tenement</p>	<p>a) From the date of the Goschen Tenement Sale Agreement until completion of the acquisition, ACDC Metals agrees to:</p> <ul style="list-style-type: none"> ii. maintain the Goschen Tenement in full force and keep the Goschen Tenement in good standing; iii. meet all outgoing in respect of the Goschen Tenement; and iv. observe and perform all stipulations and conditions relating to the Goschen Tenement and all statutory obligations relating to the parties' activities on the Goschen Tenement. <p>b) Following completion of the acquisition, the parties agree to:</p> <ul style="list-style-type: none"> i. maintain the Goschen Tenement in full force and keep the Goschen Tenement in good standing; ii. meet all outgoing in respect of the Goschen Tenement; and iii. observe and perform all stipulations and conditions relating to the Goschen Tenement and all statutory obligations relating to the parties' activities on the Goschen Tenement, <p>in proportion to their participating interest in the Goschen Tenement on each date on which an outgoing or contribution is due to be made, subject to Providence's 20% interest being free carried to successful completion of the DFS.</p>



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The Goschen Tenement Sale Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2.2 Douglas Tenement Sale Agreement

The Company and ACDC Metals has entered into a binding heads of agreement with Oro Plata (a related party of the Company by virtue of being an entity controlled by former Director, Michael Hudson) on 1 August 2022 (as varied by a deed of variation on 1 September 2022) (**Douglas Tenement Sale Agreement**), the material terms and conditions of which are summarised below.

The Douglas Tenement Sale Agreement was negotiated on arm's length terms by the non-interested Directors.

Acquisition	ACDC Metals, a wholly owned subsidiary of the Company, has agreed to acquire an initial 80% legal and beneficial interest in EL7544 and EL7545 (the Douglas Tenements) and all associated technical information from Oro Plata.
Consideration	In consideration for the acquisition, the Company agrees to issue Oro Plata (or its nominee): <ul style="list-style-type: none"> a) 6,000,000 Shares; and b) 1,500,000 Performance Rights which will convert into 1,500,000 Shares upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 60Mt of HM concentrate @ 4.0% HM or greater at either of the Douglas Tenements (Douglas Milestone) on or before the date that is 5 years from the date of issue of the Performance Rights.
Reimbursement of Expenditure	<ul style="list-style-type: none"> a) In addition to the consideration, subject to Oro Plata providing evidence of historical expenditure incurred in developing the Douglas Tenements (to the reasonable satisfaction of the Company and in accordance with the requirements of the Listing Rules) and paragraph (b) below, the Company agrees to pay Oro Plata \$50,000 in cash (Douglas Reimbursement Amount) as a reimbursement of prior expenditure incurred by Oro Plata in developing the Douglas Tenements. b) Where the Company is not provided with evidence of historical expenditure for the full Douglas Reimbursement Amount, the shortfall between the Douglas Reimbursement Amount and the amount for which evidence has been provided (as determined by the Company acting reasonably) (Douglas Shortfall Amount), shall be satisfied in Shares at a deemed issue price of \$0.20 per Share (Douglas Shortfall Shares).

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<p>Conditions Precedent</p>	<p>Completion of the acquisition is subject to satisfaction (or waiver) of the following conditions precedent on or 31 December 2022 (or such later date as agreed between the parties):</p> <ul style="list-style-type: none"> a) completion of financial, legal and technical due diligence by ACDC Metals on the Douglas Tenements, to the absolute satisfaction of ACDC Metals; b) the Company undertaking a capital raising and receiving valid applications for at least AUD\$5,000,000 worth of Shares under the capital raising (being, the purpose of the Offer); c) the Company receiving conditional approval from the ASX to admit its securities to the official list of ASX on customary conditions and those conditions being to the reasonable satisfaction of the Company; and d) the parties obtaining all necessary legal and regulatory approvals, consents or waivers pursuant to the Listing Rules, the Corporations Act or any other law to allow the parties to lawfully complete the matters set out in the agreement (including that the terms and conditions of the Performance Rights are appropriate and equitable for the purposes of Listing Rules 6.1 and 6.2 and the approval by ASX of the payment of the Douglas Reimbursement Amount).
<p>Settlement</p>	<p>Completion of the acquisition will occur on that date which is two (2) business days after the satisfaction or waiver of the last of the conditions precedent.</p>
<p>Joint Venture</p>	<ul style="list-style-type: none"> a) Upon ACDC Metals completing a DFS (as defined below) in respect of the Douglas Tenements, the parties shall form an unincorporated joint venture using the AMPLA Model Exploration JV Agreement V2 2010 (AMPLA Model) for the purpose of carrying out joint venture activities at the Douglas Tenements (Douglas Joint Venture) at which time, the participating interests of the parties will be as follows: <ul style="list-style-type: none"> Oro Plata: 20% ACDC Metals: 80% <p>(Commencement Date).</p> <p>At the Commencement Date, ACDC Metals will be the manager of the Douglas Joint Venture.</p> b) If Oro Plata elects not to contribute its 20% share after completion of a DFS, ACDC Metals will fund all costs at the Douglas Tenements from that date, and Oro Plata's participating interest will be diluted in accordance with the AMPLA Model A/(A+B) dilution formula. Once Oro Plata's participating interest has diluted to 5%, its interest in the Douglas Tenements will automatically convert to a 1.75% gross royalty (Ex Mine Gate) (based on the AMPLA Model Minerals Royalty Deed V2 2014).



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Joint Venture

- c) On request of ACDC Metals, Oro Plata must, at its own cost and expense, execute and deliver all documents (and pay any duty and other transfer costs) necessary to complete and register the assignment and transfer of the applicable participating interest to the ACDC Metals pursuant to this clause. Either Party may at any time register its interest or a caveat against the Tenement to protect its interests under this clause.
- d) For the purposes of the agreement, DFS means a study of the technical, commercial and economic feasibility of mining operations, which includes all available exploration, geological, engineering and other relevant data and capital and operating cost estimates and (if appropriate) marketing studies in sufficient detail to enable options for optimum development, mining and treatment to be identified in reasonable detail, including:
- i. exploration results and estimates of Mineral Resources, and Proven and Probable Ore Reserves (all as defined in the JORC Code);
 - ii. the proposed methods of development, mining and treatment, including the extraction, beneficiation and transportation of ore and the treatment and production of minerals, including waste disposal;
 - iii. an estimate of operating levels, environmental costs, shutdown and rehabilitation costs, including an estimate of required capital expenditure and operating costs;
 - iv. an economic evaluation of the proposed development, mining and treatment and the marketing and sale of the minerals including a comparative analysis of the effect of various assumptions, financing methods, operating costs and taxation; and
 - v. a schedule of relevant authorisations required to be obtained before mining may commence.

The study must comply with all relevant regulatory requirements, including, without limitation, Chapter 5 of the Listing Rules and the JORC Code, and otherwise be of a standard which is consistent with such studies within the industry in which ACDC Metals operates.

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Maintenance of Douglas Tenements	<p>a) From the date of the Douglas Tenement Sale Agreement until completion of the acquisition, ACDC Metals agrees to:</p> <ul style="list-style-type: none"> i. maintain the Douglas Tenements in full force and keep the Douglas Tenements in good standing; ii. meet all outgoings in respect of the Douglas Tenements; and iii. observe and perform all stipulations and conditions relating to the Douglas Tenements and all statutory obligations relating to the parties' activities on the Douglas Tenements. <p>b) Following completion of the acquisition, the parties agree to:</p> <ul style="list-style-type: none"> i. maintain the Douglas Tenements in full force and keep the Douglas Tenements in good standing; ii. meet all outgoings in respect of the Douglas Tenements; and iii. observe and perform all stipulations and conditions relating to the Douglas Tenements and all statutory obligations relating to the parties' activities on the Douglas Tenements. <p>in proportion to their participating interest in the Douglas Tenements on each date on which an outgoing or contribution is due to be made, subject to Providence's 20% interest being free carried to successful completion of the DFS.</p>
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The Douglas Tenement Sale Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.2.3 Fish Hawk Share Sale Agreement

The Company and ACDC Metals have entered into a binding heads of agreement with Fish Hawk and the Fish Hawk Vendors on 14 September 2022 (**Fish Hawk Share Sale Agreement**), the material terms and conditions of which are summarised below.

Fish Hawk is the legal and or beneficial owner of exploration licence applications ELA7642 and ELA7932 (**Watchem Tenements**) comprising the Watchem Project, located in the Mallee region of Victoria.

Acquisition	ACDC Metals, a wholly owned subsidiary of the Company, has agreed to acquire 100% of the issued capital of Fish Hawk from the Fish Hawk Vendors.
Consideration	<p>In consideration for the acquisition, the Company agrees:</p> <ul style="list-style-type: none"> a) to issue 2,500,000 Shares at a deemed issue price of \$0.10 per share to the Fish Hawk Vendors (or their nominees) in their respective proportions (Consideration Shares); b) to issue 600,000 Shares to the Fish Hawk Vendors (or their nominees) in their respective proportions (Deferred Consideration Shares), upon the announcement of a JORC compliant Inferred Mineral Resource (as defined in the JORC Code 2012 Edition) on the Watchem Tenements of at least 60Mt at 4% HM within 5 years from date of settlement of the acquisition (Settlement Date) (the Deferred Consideration Share Milestone); and



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<p>Consideration</p>	<p>c) to pay a 1.75% gross revenue royalty on the future revenue from the Watchem Tenements in respect of any minerals from the area within the boundaries of the Watchem Tenements (Royalty) to the Fish Hawk Vendors (or their nominees) in the respective proportions.</p> <p>The Consideration Shares (if any) will be issued by the Company on the Settlement Date. The Deferred Consideration Shares will be issued as soon as practicable following satisfaction of the Deferred Consideration Share Milestone. If the Deferred Consideration Share Milestone is not achieved by the date set out above, the Fish Hawk Vendors' entitlement to their respective proportion of the Deferred Consideration Shares attached to the Deferred Consideration Share Milestone will automatically lapse.</p> <p>Each of the Shareholders agree and acknowledge that, in connection with the Company's Admission, the Shareholders will be required by the ASX to enter into restriction agreements to give effect to a mandatory escrow of their Consideration Shares and Deferred Consideration Shares (if any) for a period of up to 12 months from the date of issue of the Consideration Shares and Deferred Consideration Shares (if any) (or such other period advised by the ASX) (Escrow Period), and agree to sign, or procure the signing of, a restriction deed in the manner required by ASX in respect of the Consideration Shares and Deferred Consideration Shares (if any).</p>
<p>Grant of Watchem Tenements</p>	<p>The Parties acknowledge and agree that if neither of the Watchem Tenements are granted before the end of the Escrow Period, ACDC reserves the right to buy-back and cancel the Consideration Shares and Deferred Consideration Shares (if any) from the Shareholders (or their nominees) (Buy Back). The consideration for the Buy Back shall be the transfer of the Fish Hawk Shares by the Company to the Shareholders.</p>
<p>Conditions Precedent</p>	<p>Settlement of the acquisition is subject to satisfaction (or waiver) of the following conditions precedent on or before 5:00pm (AEDT) 31 December 2022 (subject to an earlier date being provided below or such later date as agreed between the parties):</p> <p>a) completion of due diligence by ACDC Metals on Fish Hawk's business, assets and operations, financial position, financial performance and any further matters relevant to ACDC, within 30 days of the date of execution of the agreement (or such other period as the parties may agree) to the satisfaction of ACDC Metals;</p> <p>b) the Company having lodged a full form prospectus (Prospectus) to seek a listing on the ASX and receiving valid and sufficient applications to meet the minimum subscription amount under the initial public offer under the Prospectus (being, the purpose of this Prospectus and the Offer);</p>

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<p>Conditions Precedent</p>	<ul style="list-style-type: none"> c) the Company receiving conditional approval from the ASX to admit its securities to the official list of ASX following completion of the Offer, on terms reasonably acceptable to the Company; d) the Company and ACDC Metals obtaining all necessary third-party, shareholder and regulatory approvals, consents or waivers pursuant to the Listing Rules, Corporations Act or any other law to allow the parties to lawfully complete the matters set out in the agreement and give effect to the terms of the acquisition; e) ACDC Metals subscribing for (and agreeing to be bound by the constitution of Fish Hawk), and being issued by Fish Hawk, \$50,000 worth of Fish Hawk Shares at an issue price of \$1.00 per Fish Hawk Share; f) Fish Hawk providing evidence to the reasonable satisfaction of ACDC Metals and the Company that it has written off \$29,813.85 of the shareholder loan of \$58,113.85 payable to Foment Inception Group Pty Ltd (FIG Loan); g) Fish Hawk providing evidence to the reasonable satisfaction of the Company that an aggregate amount of \$17,500 payable to two of the creditors and shareholders of Fish Hawk, being: <ul style="list-style-type: none"> i. the shareholder loan of \$4,200 payable to Rickie Pobjoy; and ii. the remainder of the FIG Loan, being an amount of \$28,300; has been paid in full; h) Fish Hawk obtaining all approvals and consents necessary to give effect to the Fish Hawk Share Sale Agreement to the extent required by the Corporations Act and its constitutions.
<p>Settlement</p>	<p>Settlement of the acquisition will occur on that date which is two (2) business days after the satisfaction or waiver of the last of the conditions precedent.</p>

The Fish Hawk Share Sale Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).



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9.3 Medallion Licensing Agreement

The Company and ACDC Technology (**ACDC Parties**) entered into a licensing agreement with Medallion and Medallion USA (**Medallion Parties**) on 2 October 2022 (**Medallion Licensing Agreement**) pursuant to which Medallion has agreed to grant ACDC Technology a licence to use the Medallion Monazite Process (**MMP Technology**). The material terms and conditions of the Medallion Licensing Agreement are summarised below:

<p>Licence</p>	<p>Medallion has agreed to grant an exclusive, non-transferable, sub-licensable, royalty-bearing and geographically constrained licence to the MMP Technology, all associated Medallion Developments (defined below), intellectual property, know-how and expertise of Medallion for the Permitted Purpose (defined below) for the term of the Medallion Licensing Agreement (Licence).</p> <p>Medallion Developments means all:</p> <ul style="list-style-type: none"> a) discoveries, developments, invention, designs, works of authorship (including software), improvements, know-how, ideas (whether or not patentable or copyrightable), work product, and intellectual property; and b) all documentation, records and copies of records relating to any of the items listed in (a) above <p>that result or derive from research completed by or on behalf of Medallion that utilises or is based upon the MMP Technology but excludes the ACDC Developments.</p> <p>Medallion retains all proprietary right, title and interest in and to the MMP Technology and Medallion Developments. Medallion expressly retains any right or interest in the MMP Technology not expressly granted to ACDC Technology.</p>
<p>LAD Technology</p>	<p>Medallion USA has licenced the LAD Technology from the Purdue Research Foundation. The ACDC Parties and the Medallion Parties have agreed to collaborate on advancing a REE refinery to process mixed compounds of REE produced by the Monazite Cracking Facility (defined below) using the LAD Technology or other suitable technology, on terms to be set forth in a separate agreement as the Medallion Parties independently advance the LAD Technology.</p>

9. MATERIAL CONTRACTS

<p>Exclusivity</p>	<p>The use of the Licence by ACDC Technology includes use on materials, whether mineral sand monazite or other materials that originate from Victoria, New South Wales, South Australia, Northern Territory or subject to agreement by the Parties, any other locality in eastern or northern Australia (Territory).</p> <p>During the term of Medallion Licensing Agreement:</p> <ul style="list-style-type: none"> a) Medallion will not directly or indirectly license the MMP Technology for use within the Territory to any person other than ACDC Technology; and b) the Medallion Parties will not directly or indirectly construct or seek to construct a Monazite Cracking Facility in the Territory, alone or in conjunction with any entity other than the ACDC Parties, while the Company is using commercially reasonable efforts to progress the Work Program (defined below). <p>Work Program is defined as:</p> <ul style="list-style-type: none"> a) an initial work program related to the Monazite Cracking Facility; b) depending on the outcome of that initial work program, a follow-on development plan that includes the timely development of a plan for engineering, design and construction of a commercial Monazite Cracking Facility; and c) commercially reasonable efforts to execute a project plan that will include construction finance, necessary regulatory approvals and construction and operation of a Monazite Cracking Facility.
<p>Term</p>	<p>The Licence is granted to ACDC Technology for duration of the Medallion Licensing Agreement, which commences on 2 October 2022, until the Medallion Licensing Agreement is terminated.</p>
<p>Termination</p>	<p>Either the Medallion Parties or the ACDC Parties may terminate the Medallion Licencing Agreement immediately by providing the non-terminating party with written notice if:</p> <ul style="list-style-type: none"> a) either party to the Medallion Licensing Agreement breaches any material term and fails to cure that breach within thirty (30) calendar days' notice of having received a written notice acknowledging the breach from the terminating party; b) either party to the Medallion Licensing Agreement becomes insolvent; c) a petition in bankruptcy is filed against the non-terminating party and is consented to, acquiesced in or remains undismissed for 120 calendar days; d) the non-terminating party makes a general assignment for the benefit of the creditors; e) a receiver is appointed for the non-terminating party; or f) either party improperly disclosed any confidential information in contravention of the confidentiality provisions within the Medallion Licensing Agreement.



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<p>Termination</p>	<p>The Medallion Parties may terminate the Medallion Licensing Agreement immediately by providing written notice to either ACDC or ACDC Technology in the event that ACDC does not:</p> <ul style="list-style-type: none"> a) complete its IPO by 22 November 2023; or b) make a decision to construct the Monazite Cracking Facility (defined below) within five (5) years) years of completing its IPO (except when ACDC Technology elects to extend the term of the Medallion Licensing Agreement). <p>A Monazite Cracking Facility is defined as one or more mineral sand monazite processing refinery whose primary purpose is to process monazite produced by ACDC and/or ACDC Technology with the MMP Technology.</p> <p>ACDC and/or ACDC Technology may otherwise terminate the Medallion Licensing Agreement at any time if the ACDC Parties determine not to use the MMP Technology or any Medallion Developments by providing written notice to Medallion, which must include a covenant that ACDC relinquishes any rights to use the MMP Technology or any Medallion Developments on or after the date of the notice.</p>
<p>Permitted Purpose</p>	<p>Under the Agreement, ACDC may only use the Licence granted to:</p> <ul style="list-style-type: none"> a) construct a pilot processing plant within the Territory at such size and scale as an independent technical consultant deems appropriate to demonstrate the technical and economic viability of the MMP Technology (Pilot Plant); and b) constructing one or more commercial Monazite Cracking Facilities, (together, Permitted Purpose).
<p>Obligations of the Medallion Parties</p>	<p>The Medallion Parties undertake to provide appropriate and reasonable technical support that would ordinarily be required by a consultant who is at an appropriate senior experience level and for a reasonable and sufficient time to the ACDC Parties in connection with the Permitted Purpose for free of charge during the Pilot Plant construction and operation and on commercially normal terms during commercial operation of the Monazite Cracking Facility.</p>
<p>Consideration</p>	<p>In consideration for the Licence:</p> <ul style="list-style-type: none"> a) ACDC has issued 4,500,000 Shares to Medallion at a price of AU\$0.001 per Share; b) subject to the approval of the Lead Manager and compliance with the Corporations Act, ACDC will provide Medallion a right to subscribe for up to 20% of the Shares offered under the Public Offer at price of \$0.20 per Share; c) ACDC will issue 2,500,000 Performance Rights, which will convert into 2,500,000 Shares upon 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 MMP Technology on or before the date that is 5 years from the date of issue of the Performance Rights;

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MATERIAL CONTRACTS

<p>Consideration</p>	<p>d) ACDC will issue 750,000 Performance Rights, which will convert into 750,000 Shares in ACDC upon a mineral sand monazite processing refinery, known as a Monazite Cracking Facility (defined above), which has 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 (Commercial Production) on or before the date that is 5 years from the date of issue of the Performance Rights; and</p> <p>e) ACDC will pay Medallion a 2.0% royalty:</p> <ul style="list-style-type: none"> i. less royalties payable to vendors of the Projects, where monazite is sourced from one or more of the Projects; or ii. less the cost of procurement of monazite where monazite is sourced from a third party, in respect of any monazite sand (or other feedstock containing REE) processed at the Monazite Cracking Facility, <p>commencing from the date on which Commercial Production (defined below) is achieved or until the Medallion Licensing Agreement is terminated (Royalty).</p> <p>Commercial Production is defined as when a Monazite Cracking Facility has operated 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 ACDC Parties and the Medallion Parties.</p> <p>In the event the Medallion's shareholding in the Company shall exceed 19.9% upon conversion of the Performance Rights into Shares, the Company shall seek shareholder approval prior to the issuance of the Shares to Medallion.</p>
<p>ACDC Developments</p>	<p>ACDC Developments means all:</p> <ul style="list-style-type: none"> a) discoveries, developments, invention, designs, works of authorship (including software), improvements, know-how, ideas (whether or not patentable or copyrightable), work product, and intellectual property; and a) all documentation, records and copies of records relating to any of the items listed in (a) above <p>that result or derive from research completed by or on behalf of the ACDC Parties that utilises or is based upon the MMP Technology.</p> <p>ACDC Technology will own right, title and interest in and to any ACDC Developments.</p> <p>The ACDC Parties will communicate in writing to Medallion completely and accurately the existence and substance of all ACDC Developments developed during the term of this Agreement within 90 days of their creation.</p>



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Right of First Refusal

If ACDC Technology wishes to sell the ACDC Developments or any portion of it to anyone at any time during the term of the Agreement it must first:

- a) give Medallion written notice (**RFR Notice**) of the proposed transaction, which notice will provide details of all ACDC Developments at the time of the RFR Notice and a copy of the proposed sale agreement; and
- b) for sixty (60) days after receiving the RFR Notice, Medallion will have the right to purchase the ACDC Developments on the terms and conditions provided in the RFR Notice by giving written notice to ACDC Technology that it is exercising that right. In the event that Medallion notifies ACDC Technology, ACDC Technology will sell to Medallion those ACDC Developments on those terms and conditions. During this time, ACDC Technology shall inform Medallion of any further ACDC Developments in a timely manner and Medallion's right to purchase ACDC Developments shall be extended to the later of 60 days after the RFR Notice and 30 days after the notice of additional ACDC Developments; and
- c) if Medallion does not exercise its right of first refusal within the sixty (60) day period, then for three (3) months after that date, ACDC Technology may sell the ACDC Developments to the proposed purchaser identified in the RFR Notice. If the transaction does not close within the three (3) month period, the right of first refusal will be re-established, even for the proposed purchaser identified in the RFR Notice.

The Medallion Licensing Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

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9.4 Agreements with Directors and management/related parties

9.4.1 Consultancy Agreement – Mark Saxon, Executive Director

On 21 August 2022, the Company entered into a consultancy agreement with Sierra Peru Pty Ltd (ACN 103 128 365) (**Sierra**) (as varied by a deed of variation) pursuant to which the Company has agreed to engage Sierra to provide consultancy services and for Mark Saxon, nominee of Sierra to be appointed and act as an Executive Director to the Company (**Sierra Consultancy Agreement**).

The material terms and conditions of the Executive Director Agreement are summarised below:

Engagement	<p>The Company agreed to engage Sierra Peru Pty Ltd (ACN 103 128 365) (Sierra) to provide consultancy services to the Company.</p> <p>Mark Saxon agreed to be the person nominated by Sierra to perform the services on behalf of Sierra and also agreed to act as an executive Director during the term of the Sierra Consultancy Agreement.</p>
Term	<p>The Sierra Consultancy Agreement commenced on 15 August 2022 and will continue until 15 August 2023, unless:</p> <ul style="list-style-type: none"> a) terminated earlier in accordance with the terms of the Executive Chair Agreement; or b) extended by the Company by way of written notice to the Consultant at any time before the end of the term.
Fee	<p>Sierra is entitled to the following fees in consideration for consultancy services provided:</p> <ul style="list-style-type: none"> a) \$76,500 per annum (exclusive of any GST payable); and b) a daily rate of \$1,326 (exclusive of GST) for any additional days Mark Saxon is required to work as directed by the Board.
Additional Benefits	<p>The Company has agreed to issue to Mark Saxon 1,250,000 Options upon the Company's Admission, subject to the terms and conditions as set out in Section 10.4, in consideration for services provided by Sierra.</p>
Expenses	<p>In addition to fees, Sierra may incur expenses or disbursements on behalf of the Company during the engagement. The Company agrees to reimburse Sierra for reasonable expenses incurred during the term of the Sierra Consultancy Agreement to include:</p> <ul style="list-style-type: none"> a) reasonable travel costs when required by the Company; b) reasonable home office costs not exceeding \$300 per month, including communication expenses; and c) use of Mr Saxon's personal vehicle at \$0.50 per km during the term of the engagement when required by the Company.
Termination by both parties	<p>The Sierra Consultancy Agreement may be terminated by either party at any time for any reason by giving the other party two (2) months' notice in writing.</p>



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Termination by the Company	<p>The Sierra Consultancy Agreement may be terminated by the Company at any time with immediate effect by giving written notice to Sierra if:</p> <ul style="list-style-type: none"> a) Sierra, Mr Saxon or any third party breaches the confidentiality or intellectual property rights clauses under the Sierra Consultancy Agreement; b) Sierra materially breaches any other provision of the Sierra Consultancy Agreement; c) Sierra, Mr Saxon or any third party, in the reasonable opinion of the Company, is guilty of fraud, dishonesty or any other serious misconduct; d) Sierra persistently fails to perform the services in accordance with the terms of the Sierra Consultancy Agreement; e) Sierra ceases to carry on business; f) Sierra ceases to be able to pay its debts as they become due; g) any step is taken to enter into any arrangement between Sierra and its creditors; h) any step is taken to appoint a receiver, a receiver and manager, a trustee in bankruptcy, a liquidator, a provisional liquidator, an administrator or other like person of the whole or any part of the Sierra's assets or business; or i) conduct of Sierra, Mr Saxon or any third party may, in the reasonable opinion of the Company, bring the Company into disrepute.
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The Sierra Consultancy Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.4.2 Executive Services Agreement – Thomas Davidson

The Company has entered into an executive services agreement with Mr Thomas Davidson (**ESA**), pursuant to which Mr Thomas Davidson is appointed as Chief Executive Officer of the Company. The material terms of the ESA are summarised below:

Term	Mr Thomas Davidson's employment commenced on 31 October 2022 (Commencement Date) and will continue until the ESA is validly terminated according with its terms.
Remuneration	The Company has agreed to pay Mr Thomas Davidson a base salary of \$250,000 per annum (inclusive of superannuation) (Salary) commencing on the first of the month the Commencement Date.

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Additional Benefits	<p>In addition to the Salary, the Company has agreed to issue Mr Thomas Davidson (and/or his nominee) a total of:</p> <ul style="list-style-type: none"> a) 100,000 Shares in the Company at a deemed issue price per Share of \$0.10; and b) 600,000 unlisted Options, subject to satisfaction of vesting conditions exercisable at \$0.30 on or before the date that is three years from the date of issue and on the terms and conditions set out in Section 10.4, as an incentive component of his remuneration.
Reimbursement of Expenses	<p>The Company has agreed to reimburse Mr Thomas Davidson reasonable costs incurred with:</p> <ul style="list-style-type: none"> a) professional membership subscriptions to include iMechE and AusIMM; and b) professional development and training, which will assist to the Executive performing the role as Chief Executive Officer, <p>which are to be agreed between the Company and Mr Thomas Davidson, prior to being reimbursed by the Company. The Company further agrees that Mr Thomas Davidson will be permitted to use up to 1 week per annum to complete the professional development and training.</p>
Termination by Company	<ul style="list-style-type: none"> a) The Company may terminate the ESA at any time for any reason by giving Mr Thomas Davidson: <ul style="list-style-type: none"> i. 6 weeks' notice in writing prior to the Company's Admission; and ii. 3 months' notice in writing after the Company's Admission. b) The Company may make payment in lieu of part or all of the notice period calculated on the basis of Mr Thomas Davidson's then Salary.
Termination by Mr Thomas Davidson	<ul style="list-style-type: none"> a) Mr Thomas Davidson may terminate the ESA at any time by giving ACDC 3 months' notice in writing. b) The Company may make payment in lieu of part or all of the notice period calculated on the basis of Mr Thomas Davidson's then Salary.

The ESA otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

9.4.3 Non-executive Director appointments

Messrs Andrew Shearer, Ivan Fairhall and Richard Boyce have entered into appointment letters with the Company to act in the capacity of non-executive Directors. These Directors will receive the remuneration and interests set out in Section 8.4. The Company has agreed to pay a day rate of \$1,200 (exclusive of GST) for any additional days that Mr Andrew Shearer is required to work as directed by the Board.

9.4.4 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its officers. Pursuant to each of these deeds, the Company has agreed to indemnify each officer, to the extent permitted by the Corporations Act against certain liabilities arising as a result of the officer acting as an officer of the Company. The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.



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ADDITIONAL INFORMATION

10.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

10.2 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. The Company's constitution permits the use of technology at general meetings of shareholders (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- i. each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

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c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.



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ADDITIONAL INFORMATION

h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

10.3 Terms and Conditions of Lead Manager Options

a) Entitlement

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (Exercise Price).

c) Expiry Date

Each Option will expire at 5:00pm (EST) on the date that is 3 years from the date of issue of the Options (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

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ADDITIONAL INFORMATION

g) Timing of issue of Shares on exercise

Within 5 Business Days after the latter of the following:

- i. Exercise Date; and
- ii. when excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case, not later than 20 Business Days after the Exercise Date, the Company will:
- iii. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- iv. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- v. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 11.3(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

m) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



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ADDITIONAL INFORMATION

10.4 Terms and Conditions of Officer Options

a) Entitlement

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.30 (**Exercise Price**).

c) Expiry Date

Each Option will expire at 5:00 pm (EST) on the date that is 3 years from the date of issue of the Options (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

g) Timing of issue of Shares on exercise

Within 5 Business Days after the latter of the following:

- i. Exercise Date; and
- ii. when excluded information in respect to, the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information, but in any case, not later than 20 Business Days after the Exercise Date, the Company will:
 - iii. issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
 - iv. if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - v. if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under 11.3(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

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ADDITIONAL INFORMATION

h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

m) Transferability

The Options are not transferable and are subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

10.5 Performance Rights to be issued under the Goschen Tenement Sale Agreement and Douglas Tenement Sale Agreement

10.5.1 Terms and Conditions of Class A and Class B Performance Rights

Set out below are the terms and conditions of the Class A and Class B Performance Rights:

a) Milestones:

- i. Class A Performance Rights: Each Class A Performance Right will convert into one Share upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 60 million tonnes (Mt) of heavy mineral sands (HMS) concentrate @ 4.0% HMS or greater at either of the Douglas Tenements, as signed off by a competent person, on or before the date that is 5 years from issue of the Class A Performance Rights (the Class A Milestone); and
- ii. Class B Performance Rights: Each Class B Performance Right will convert into one Share upon the delineation of an Inferred Mineral Resource (reported in accordance with JORC Code 2012) of at least 10Mt of heavy mineral sands (HMS) concentrate @ 2.0% HMS or greater on the Goschen Tenement, as signed off by a competent person, on or before the date that is 5 years from issue of the Class B Performance Rights (the Class B Milestone).

- b) Notification to holder:** The Company must notify the holder of Performance Rights when the relevant Milestone has been satisfied.



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- c) **Conversion:** Subject to paragraph (l) and satisfaction of the relevant Milestone, each Performance Right will, at the election of the Holder, convert into 1 Share. The Holder will have 4 months upon receiving the Notification to provide notice to the Company of its election to convert the vested Performance Rights into Shares. Where the Holder does not elect to convert the vested Performance Rights into Shares within the 4 month period, the vested Performance Rights will automatically lapse
- d) **Share ranking:** All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares;
- e) **Application to ASX:** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules;
- f) **Transfer of Performance Rights:** The Performance Rights are not transferable;
- g) **Lapse of a Performance Right:** If the Milestone attached to the relevant Performance Right has not been satisfied within the relevant time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.
- h) **Participation in new issues:** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- i) **Reorganisation of capital:** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
- j) **Adjustment for bonus issue:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
- k) **Dividend and Voting Rights:** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- l) **Deferral of conversion if resulting in a prohibited acquisition of Shares:** If the conversion of a Performance Right under paragraph (c) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (General Prohibition) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - i. holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and

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- ii. the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (l) (i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- m) **No rights to return of capital:** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- n) **Rights on winding up:** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- o) **No other rights:** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

10.5.2 Guidance Note 19 Disclosure

The following additional information is provided in respect of the Performance Rights proposed to be issued to Oro Plata and Providence under the Performance Rights Offer (together, the **Recipients**):

- a) 1,500,000 Class A Performance Rights are proposed to be issued to Oro Plata, a related party of the Company by virtue of being an entity controlled by former Director, Mr Thomas Burrowes and 1,500,000 Class B Performance Rights are proposed to be issued to Providence, a related party of the Company by virtue of being an entity controlled by former Director, Mr Michael Hudson on the terms and conditions set out in Section 10.5.1 above;
- b) The Class A Performance Rights and Class B Performance Rights (the **Project Performance Rights**) are being issued to Oro Plata and Providence under the Douglas Tenement Sale Agreement and the Goschen Tenement Sale Agreement (respectively) so that a portion of the consideration payable for the acquisitions is directly linked to performance of the assets being acquired. This is standard practice for acquisition of exploration projects and is designed to protect the Company and its shareholders against the inherent risk associated with such acquisitions, particularly that there can be no assurance that exploration of the projects will result in the discovery of an economic ore deposit;
- c) 9.2.2, a summary of the Douglas Project is set out in Section 5.2.4 and a detailed description of the Douglas Project is set out in the Independent Geologist's Report in Annexure A;
- d) a summary of the Goschen Tenement Sale Agreement is set out 9.2.1, a summary of the Goschen Central Project is set out in Section 5.2.3 and a detailed description of the Goschen Central Project is set out in the Independent Geologist's Report in Annexure A;
- e) Providence is a related vendor of the Company by virtue of being an entity controlled by former Director, Mr Thomas Burrowes;



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- f) Oro Plata is a related vendor of the Company by virtue of being an entity controlled by former Director, Mr Michael Hudson;
- i. The Board considers that the quantum of the consideration payable for the acquisition of the Douglas Project and Goschen Central Project reflects reasonable fair value of the projects. The consideration payable was determined by the Board, following arm's length negotiations with each of Oro Plata and Providence and having regard to:
- (A) the value of the Douglas Project and Goschen Central Project and the Board's assessment of the future prospects of the Douglas Project and Goschen Central Project;
 - (B) recent market examples of comparable transactions, particularly in the mineral sands sector; and
 - (C) the fact that part of the consideration payable will be deferred (i.e. the Project Performance Rights) and will only be realised and paid in the event that the applicable milestones are satisfied, which would be a significant value accretive event for the Company.
- g) the number of Performance Rights to be issued to Oro Plata and Providence (being, 1,500,000 Performance Rights) was determined by the Board following arm's length negotiations with Oro Plata and Providence and having regard to:
- i. the valuation of the interest in the Douglas Project and the Goschen Central Project to be acquired by the Company; and
 - ii. current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities;

- h) the number of Performance Rights issued and the number of Shares into which they will convert if the relevant milestones are achieved is appropriate and equitable for the purposes of Listing Rule 6.1 as:
- i. the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
 - ii. the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;
 - iii. there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued;
 - iv. there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the Milestones, which have been constructed so that satisfaction of the Milestones will be consistent with increases in the value of Company's business; and
 - v. the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon completion of the Public Offer, representing approximately 2.07% of Shares post Public Offer (on an undiluted basis) and 1.36% (on a fully diluted basis) assuming the Full Subscription is raised;

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- i) the Milestones attaching to the Performance Rights are appropriate and equitable as:
 - i. the Milestones for the Performance Rights are appropriately linked to the value of the Douglas Project and the Goschen Central Project (i.e. upon delivery of JORC compliant Indicated Resource);
 - ii. the Performance Rights are being issued to Oro Plata and Providence in consideration for the acquisition of an interest in the Douglas Project and the Goschen Central Project. Accordingly, the Milestones are linked to the value of the Douglas Project and the Goschen Central Project;
 - iii. the Milestones for the Performance Rights are clearly articulated by reference to objective criteria which allows investors and analysts to readily understand and have reasonable certainty as to the circumstances in which the conversion milestones will be taken to have been met;
 - iv. the Company will engage a competent person to review and consider whether the applicable Milestone has been achieved, and who advise the Board of the Company of the same; and
 - v. the Performance Rights have an expiry date by which the Milestones are to be achieved and, if the Milestones are not achieved by that date, the Performance Rights will lapse; and
- j) the Company confirms that the Performance Rights are not being issued to a person who does not have an ownership interest in the Douglas Project and the Goschen Central Project (being, the undertaking being acquired), nor are they being issued disproportionately to the ownership interests of the vendor of the Douglas Project and the Goschen Central Project.

10.6 Performance Rights to be issued under the Medallion Licensing Agreement

10.6.1 Terms and Conditions of Class C and Class D Performance Rights

Set out below are the terms and conditions of the Class C and Class D Performance Rights:

a) Milestones:

- iii. **Class C Performance Rights:** Each Class C Performance Right will convert into one Share upon the completion of the construction of a pilot processing plant of a size and scale as an independent technical consultant deems appropriate to demonstrate the technical and economic viability of the MMP Technology on or before the date that is 5 years from issue of the Class C Performance Rights (the **Class C Milestone**); and
- iv. **Class D Performance Rights:** Each Class D Performance Right will convert into one Share upon a mineral sand monazite processing refinery which has 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 the date that is 5 years from issue of the Class D Performance Rights (the **Class D Milestone**).



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- b) **Notification to holder:** The Company must notify the holder of Performance Rights when the relevant Milestone has been satisfied.
- c) **Conversion:** Subject to paragraph (l) and satisfaction of the relevant Milestone, each Performance Right will, at the election of the Holder, convert into 1 Share. The Holder will have 4 months upon receiving the Notification to provide notice to the Company of its election to convert the vested Performance Rights into Shares. Where the Holder does not elect to convert the vested Performance Rights into Shares within the 4 month period, the vested Performance Rights will automatically lapse
- d) **Share ranking:** All Shares issued upon the conversion of Performance Rights will upon issue rank pari passu in all respects with other Shares;
- e) **Application to ASX:** The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules;
- f) **Transfer of Performance Rights:** The Performance Rights are not transferable;
- g) **Lapse of a Performance Right:** If the Milestone attached to the relevant Performance Right has not been satisfied within the relevant time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.
- h) **Participation in new issues:** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- i) **Reorganisation of capital:** If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.
- j) **Adjustment for bonus issue:** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.
- k) **Dividend and Voting Rights:** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.
- l) **Deferral of conversion if resulting in a prohibited acquisition of Shares:** If the conversion of a Performance Right under paragraph (c) would result in any person being in contravention of section 606(1) of the Corporations Act 2001 (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:
 - i. holders may give written notification to the Company if they consider that the conversion of a Performance Right may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and

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- ii. the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (I) (i) within seven days if the Company considers that the conversion of a Performance Right may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.
- m) **No rights to return of capital:** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- n) **Rights on winding up:** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.
- o) **No other rights:** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

10.6.2 Guidance Note 19 Disclosure

The following additional information is provided in respect of the Performance Rights proposed to be issued to Medallion under the Performance Rights Offer:

- a) 2,500,000 Class C Performance Rights and 750,000 Class D Performance Rights are proposed to be issued to Medallion on the terms and conditions set out in Section 10.6.1 above;
- b) the Performance Rights are being issued to Medallion as a mechanism to prevent the Company and its investors from overpaying for exclusive use of the Licence and the Medallion technology and to provide Medallion with additional Shares in consideration for the exclusive use of the Licence and the Medallion technology if the milestones attaching to the Medallion Performance Rights are met namely, the construction and operation by the Company of a pilot processing plant and mineral sands refinery with a minimum output;
- c) a summary of the Medallion Licensing Agreement is included at Section 9.3;
- c) The Board considers that the quantum of the consideration payable for the grant of the Licence reflects reasonable fair value. The consideration payable was determined by the Board, following arm's length negotiations with Medallion and having regard to:
 - (I) the value of the Licence and the Board's assessment of the future prospects of the Licence and the Medallion technology;
 - (II) recent market examples of comparable transactions; and
 - (III) the fact that part of the consideration payable will be deferred (i.e. the Medallion Performance Rights) and will only be realised and paid in the event that the applicable milestones are satisfied, which would be a significant value accretive event for the Company.



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- (B) The number of Performance Rights to be issued to Medallion (being, 3,250,000 Performance Rights) has been determined based upon a consideration of:
- (I) the potential economic viability that could be generated by the Company's use of the Licence and the technology developed by Medallion for the MMP Technology;
 - (II) the potential nameplate capacity that the mineral sands monazite processing refinery could achieve; and
 - (III) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company.

In addition to the above, regard was also had to the principles and guidance articulated in ASX Guidance Note 19 with respect to the issue of performance linked securities.

- (d) The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:
- i. the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
 - ii. the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;
 - iii. there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
 - iv. there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
 - v. the milestones for the Performance Rights are appropriately linked to the Company's growth (an increase in the Company's Share price);
 - vi. the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon completion of the Offers (assuming the Full Subscription is raised under the Public Offer), representing approximately 4.49% in aggregate on an undiluted basis and 2.95% on a fully diluted basis; and
 - vii. the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.

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10.7 Employee Incentive Securities Plan

The Company has adopted an Employee Incentive Securities Plan (**Plan**) to allow eligible participants to be granted securities in the Company. A summary of the material terms of the Plan is set out below:

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Reimbursement of Expenses	The purpose of the Plan is to: <ul style="list-style-type: none"> a) assist in the reward, retention and motivation of Eligible Participants; b) link the reward of Eligible Participants to Shareholder value creation; and c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of shares, options and performance rights (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for any (or any combination of) the Securities provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.



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<p>Rights attaching to Convertible Securities</p>	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; c) is not entitled to receive any dividends declared by the Company; and d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).
<p>Vesting of Convertible Securities</p>	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
<p>Exercise of Convertible Securities and cashless exercise</p>	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>

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Timing of issue of Shares and quotation of Shares on exercise	As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.</p>
Listing of Convertible Securities	A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <ul style="list-style-type: none"> a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant; b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group; c) where there is a failure to satisfy the vesting conditions in accordance with the Plan; d) on the date the Participant becomes insolvent; or e) on the Expiry Date.
Change of control	If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.



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<p>Adjustment of Convertible Securities</p>	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
<p>Plan Shares</p>	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
<p>Rights attaching to Plan Shares</p>	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.</p>
<p>Disposal restrictions on Plan Shares</p>	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

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<p>General Restrictions on Transfer of Plan Shares</p>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
<p>Buy-Back</p>	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p>
<p>Employee Share Trust</p>	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
<p>Maximum number of Securities</p>	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b).</p>
<p>Amendment of Plan</p>	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>



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ADDITIONAL INFORMATION

Plan duration	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

10.8 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- d) as an inducement to become, or to qualify as, a Director; or
- e) for services provided in connection with:
 - i. the formation or promotion of the Company; or
 - ii. the Offer.

10.9 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- b) promoter of the Company; or
- c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

10.

ADDITIONAL INFORMATION

- d) the formation or promotion of the Company;
- e) any property acquired or proposed to be acquired by the Company in connection with:
 - i. its formation or promotion; or
 - ii. the Offer; or
- f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- g) the formation or promotion of the Company; or
- h) the Offer.

AMC Consultants has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Annexure A. The Company estimates it will pay AMC Consultants a total of \$22,500 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, AMC Consultants has not received any fees from the Company.

Zenito Limited has acted as Independent Technical Advisor and has prepared the Independent Technical Report which is included in Annexure C. The Company estimates it will pay Zenito Limited a total of \$12,205 for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Zenito Limited has not received any fees from the Company.

Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**) has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Annexure D. The Company estimates it will pay Hall Chadwick a total of \$18,000 (excluding GST) for these services. Hall Chadwick has also been appointed as the Company's auditor. The Company estimates it will pay Hall Chadwick a total of \$39,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Hall Chadwick has not received any fees from the Company.

PAC Partners has acted as the lead manager to the Offer and will receive a management fee of 2% of the total amount raised under the Offer (plus GST), a selling fee of 4% on the lead manager's allocation to the Offer, and 5,000,000 Options following the successful completion of the Offer for its services as Lead Manager to the Offer. The Company will be responsible for paying the reasonable fees and disbursements of legal or other professional advisers retained by PAC Partners as a result of the Lead Manager Mandate and all capital raising fees in connection with the Public Offer (including any ASX settlement fees and any settlement facilitation fees) incurred by PAC Partners. Further details in respect to the Lead Manager Mandate with PAC Partners are summarised in Section 9.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, PAC Partners has received \$26,840 fees from the Company.

Steinepreis Paganin has acted as the Australian legal adviser to the Company in relation to the Offer and has prepared the Solicitor's Report on Tenements which is included in Annexure B. The Company estimates it will pay Steinepreis Paganin \$150,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has received \$174,049.02 in fees from the Company.



10.

ADDITIONAL INFORMATION

10.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriters, persons named in this Prospectus with their consent having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading and deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, the other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- a) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- a) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

AMC Consultants has given its written consent to being named as Independent Geologist in this Prospectus, and to the inclusion of the Independent Geologist's Report in Annexure A in the form and context in which the report is included.

Zenito Limited has given its written consent to being named Independent Technical Advisor in this Prospectus, and to the inclusion of the Independent Technical Report in Annexure C in the form and context in which the report is included.

Hall Chadwick has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Annexure D in the form and context in which the information and report is included.

Hall Chadwick has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Independent Limited Assurance Report included in Annexure D to this Prospectus in the form and context in which the information is included.

Steinepreis Paganin has given its written consent to being named as the Australian legal adviser to the Company in relation to the Offer in this Prospectus and the inclusion of the Solicitor's Report on Tenements in Annexure B in the form and context in which the report is included.

PAC Partners has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Automatic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus.

10.11 Expenses of the Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately \$1,075,000 for the Full Subscription.

11. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Andrew Shearer
Non-Executive Chairman
For and on behalf of
ACDC Metals Ltd



12.

GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$	means an Australian dollar.
ACDC Metals	means ACDC Metals Operations Pty Ltd (ACN 651 911 787), a wholly owned subsidiary of the Company.
ACDC Technology	means ACDC Metals Technology Pty Ltd (ACN 654 064 534), a wholly owned subsidiary of the Company.
Acquisitions	means the acquisition by ACDC Metals of an initial 80% interest in the Goschen Central Project, an initial 80% interest in the Douglas Project and 100% of the issued capital of Fish Hawk.
Acquisition Agreements	means the Goschen Tenement Sale Agreement, the Douglas Tenement Sale Agreement and the Fish Hawk Share Sale Agreement.
Admission	means the admission of the Company to the Official List.
AEDT	means Australian Eastern Daylight Time as observed in Melbourne, Victoria.
Application Form	means the application form attached to or accompanying this Prospectus (including an online application form) relating to the Offer.
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.
ASX Listing Rules	means the official listing rules of ASX.
August Seed Raising	means the capital raising undertaken by the Company in August 2022 via the issue of Shares at an issue price of \$0.10 per Share.
Board	means the board of Directors as constituted from time to time.
Business Days	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
CHESS	means the Clearing House Electronic Subregister System operated by ASX Settlement.
Closing Date	means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).
Company or ACDC	means ACDC Metals Ltd (ACN 654 049 699).
Conditions	has the meaning set out in Section 4.5.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).

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GLOSSARY

Directors	means the directors of the Company at the date of this Prospectus.
Douglas Project	means the Douglas heavy mineral sands project comprised of exploration licences EL7544 and EL7545 located in Victoria.
Douglas Tenement Sale Agreement	means the binding heads of agreement entered into between the Company and Oro Plata in respect of the acquisition of an initial 80% interest in the Douglas Project by ACDC Metals.
Exposure Period	means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.
Fish Hawk	means Fish Hawk Resources Pty Ltd (ACN 604 942 403).
Fish Hawk Share Sale Agreement	means the binding heads of agreement entered into between the Company, ACDC Metals, Fish Hawk and the Fish Hawk Vendors in respect of the acquisition of an 100% interest in the issued capital of Fish Hawk by ACDC Metals.
Fish Hawk Vendors	means the holders of shares in Fish Hawk being, Rickie James Pobjoy and Foment Inception Group Pty Ltd.
Full Subscription	means the full amount to be raised under the Offer, being \$8,000,000.
Goschen Central Project	means the Goschen Central heavy mineral sands project comprised of exploration licence EL5278 located in Victoria.
Goschen Tenement Sale Agreement	means the binding heads of agreement entered into between the Company, ACDC Metals and Providence in respect of the acquisition of an initial 80% interest in Goschen Central Project by ACDC Metals.
HMS	means heavy mineral sands.
ILUA	means indigenous land use agreement.
Institutional Investor	means an institutional or professional investor (and any person for whom it is acting) and in particular: <ul style="list-style-type: none">a) If in Canada (British Columbia, Ontario and Quebec provinces only), it (and any such person) is an “accredited investor” as defined in National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”);b) If in Ireland, it (and any such person) is a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);c) If in Singapore, it (and any such person) is an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act 2001 of Singapore (“SFA”));d) If in the United States, it (and any such person) is an “institutional accredited investor” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act.



12.

GLOSSARY

JORC Code	has the meaning given in the Important Notice Section.
LAD Technology	means the Ligand Assisted Displacement Chromatography technology.
Lead Manager or PAC Partners	means PAC Partners Securities Pty Ltd (ACN 623 653 912) (AFSL No. 335374).
Lead Manager Mandate	means the agreement with the Lead Manager summarised in Section 9.1.1.
Lead Manager Options Offer	means the offer of 5,000,000 Lead Manager Options to the Lead Manager.
Medallion	means Medallion Resources Ltd (TSX:MDL) (a corporation incorporated under the laws of Canada).
Medallion USA	means Medallion Research USA Inc (a corporation incorporated under the laws of the State of Delaware, USA), a wholly owned subsidiary of Medallion.
Medallion Licensing Agreement	means the agreement entered into between the Company, ACDC Technology and Medallion in respect of, amongst other things, the grant of a licence to ACDC Technology to use the MMP Technology.
MMP Technology	means the Medallion proprietary monazite processing technology, Medallion Monazite Process to extract REE from monazite.
November Seed Raising	means the capital raising undertaken by the Company in November 2021 via the issue of Shares at an issue price of \$0.10 per Share.
Officer Options Offer	means the offer of 4,550,000 Officer Options to the Directors, Chief Executive Offer and Company Secretary.
Official List	means the official list of ASX.
Official Quotation	means official quotation by ASX in accordance with the ASX Listing Rules.
Option	means an option to acquire a Share.
Optionholder	means a holder of an Option.
Oro Plata	means Oro Plata Pty Ltd (ACN 127 800 391).
Performance Right	means a performance right convertible into a Share.
Performance Rights Offer	means the offer of 6,250,000 Performance Rights to Oro Plata, Providence and Medallion, as set out in Section 4.1.4.
Plan	has the meaning set out in Section 10.7.
Projects or Project	means the Goschen Central Project, the Douglas Project and or the Watchem Project, as the context requires.
Prospectus	means this prospectus.

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GLOSSARY

Providence	means Providence Gold and Minerals Pty Ltd (ACN 004 881 789).
Public Offer	means the offer of Shares pursuant to this Prospectus as set out in Section 4.1.1.
Public Offer Price	means the price at which Shares are under the Public Offer, being \$0.20.
Recommendations	has the meaning set out in Section 8.6.
REE	means rare earth elements.
REOs	means rare earth oxides.
Section	means a section of this Prospectus.
Secondary Offers	means the Lead Manager Options Offer, Officer Options Offer and Performance Rights Offer.
Securities	means Shares, Options and or Performance Rights, as the context requires.
Share	Share means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of Shares.
Tenements	means the mining tenements (including applications) in which the Company has an interest as set out in Section 5.1 and further described in the Independent Geologist's Report at Annexure A and the Solicitor's Report on Tenements at Annexure B, or any one of them as the context requires.
US	means the United States of America.
Watchem Project	means the Watchem heavy mineral sands project comprised of exploration licence applications ELA7642 and ELA7932 located in Victoria.

ANNEXURE A

INDEPENDENT GEOLOGIST'S REPORT



AMC Consultants Pty Ltd

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Australia

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Report

Independent Geologist's Report ACDC Metals Pty Ltd

AMC Project 122036_V2
25 October 2022

Executive summary

In September 2021, AMC Consultants Pty Ltd (AMC) was engaged by ACDC Metals Pty Ltd (ACDC or Company) to prepare this Independent Geologist's Report (IGR) on certain mineral sands exploration assets (Assets) located in the state of Victoria, Australia. This IGR is to be included in a prospectus to be issued by ACDC's (Prospectus) and dated around the date of this report for an initial public offering (IPO) to raise up to a total of A\$8,000,000 (before costs) and to facilitate ACDC's admission to the Official List of the Australian Securities Exchange (ASX).

In AMC's opinion, the proposed exploration and estimated costs totalling approximately A\$4.2 million as discussed in this IGR will be sufficient to cover the cost of the proposed exploration including drilling, assaying, mineralogy studies and Mineral Resource estimation.

AMC has prepared this IGR in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, the VALMIN Code, 2015 Edition¹ (VALMIN Code) and the JORC Code, 2012 Edition² (JORC Code). AMC has also complied with Australian Securities and Investments Commission (ASIC) regulatory guides RG111³ and RG112⁴ to the extent the guides are relevant.

ACDC has advised AMC, inter alia that the Assets consist of:

- Oro Plata Pty Ltd (Oro Plata) is the holder of exploration licence EL007544 (Acapulco) and EL007545 (Chetwynd) in Victoria, collectively known as the Douglas Project. Both applications are dated 8 January 2021 and have a licence expiry date of 16 March 2027
- A binding heads of agreement was entered into between ACDC Operations Pty Ltd (ACDC Operations) a wholly owned subsidiary of ACDC and Oro Plata on 1 August 2022 in respect of the acquisition of an initial 80 % interest in the Douglas Project by ACDC Operations.
- Providence Gold and Minerals Pty Ltd (Providence) is the holder of exploration licence EL5278 (Goschen Central Project) in Victoria. The exploration licence was renewed on 25 June 2021 and expires on 24 June 2025.
- A binding heads of agreement was entered into between ACDC Operations and Providence on 20 September 2022 in respect of the acquisition of an initial 80% interest in the Goschen Central Project by ACDC Operations.
- Fish Hawk Resources Pty Ltd (Fish Hawk) is the holder of exploration licence applications ELA7642 and ELA7932 (Watchem Mineral Sands Project) in Victoria. The exploration licence application for ELA7642 was accepted on 29 June 2021 and the exploration licence application for ELA7932 was accepted on 28 March 2022.
- A binding heads of agreement was entered into between ACDC Operations, Fish Hawk and the shareholders of Fish Hawk on 14 September 2022 in respect of the acquisition of an 100% interest in the issued capital of Fish Hawk by ACDC Operations.

¹ The Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets. The VALMIN Code 2015 Edition. The VALMIN Code has been prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association. The VALMIN Code is a companion to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The VALMIN Code provides guidance on matters that may be subject to Australian regulations, other provisions of law and published policies and guidance of the Australian Securities and Investment Commission (ASIC) and the Listing Rules of the Australian Securities Exchange (ASX) or of other relevant exchanges.

² Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore, 2012 Edition, sets out minimum standards, recommendations, and guidelines for public reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. Prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia.

³ Australian Securities & Investments Commission (ASIC), Regulatory Guide 111 – October 2020 – Content of expert reports; gives guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act 2001

⁴ Australian Securities & Investments Commission (ASIC), Regulatory Guide 112 – March 2011, updated August 2015 – Independence of expert; gives ASIC's views on the need for an expert to be independent.

Assets reviewed for the purposes of preparing this IGR consist of:

- Douglas Project comprising:
 - Acapulco exploration licence application (EL007544) covering a total area of 16,700 ha.
 - Chetwynd exploration licence application (EL007545) covering a total area of 13,600 ha.
- Goschen Central Project exploration licence (EL5278) covering a total area of 6,700 ha.
- Watchem Mineral Sands Project exploration licence EL007642 covering an area of 50,000 ha and EL007932 covering an area of 50,000 ha.

The mineralisation style most prevalent across the Assets is mineral sands containing valuable heavy mineral (VHM) concentrate of zircon, rutile, leucoxene, ilmenite, and rare earth elements (REE). The Douglas deposits are characterized by being coarse grained with mean diameter grain size ranging from 130 μm to 160 μm , and the Goschen Central Project as being fine grained Wimmera Industrial Minerals style (WIM-style) project. Both project areas have wide zones of mineralisation and high-grade cores (>10 % heavy minerals (HM)), low stripping ratios, and a VHM suite comprising 60 % to 80 % of VHM concentrate. The Watchem Mineral Sands Project is a WIM-style mineral sands project located in a region being developed for this style of deposit.

In AMC's opinion:

- Douglas Project, based on the reported results of the previous drilling and assaying, the licence area contains HM occurrences and therefore warrants further exploration and drilling to confirm the extent of HM within the licence area.
- Goschen Central Project, based on the reported results of the previous drilling and assaying, the licence area contains HM occurrences and therefore warrants further exploration and drilling to confirm the extent of HM within the licence area.
- The Watchem Mineral Sands Project, based on reported results of previous drilling and its location adjacent to existing mineral sands deposits, warrants further exploration and drilling.

AMC has not conducted a site visit for the Assets considered in this IGR. AMC is of the opinion that a site visit would not likely reveal any new or additional information that is material to the assessment of the Assets. Further, AMC has previously visited similar sites in the region and is familiar with the deposit type and geology in the region.

Verification of the status of tenure of the Assets is not within the scope of this IGR. As a part of this IPO process, ACDC has engaged a solicitor to complete an independent assessment of the status of tenure of the Assets (Solicitor's Tenement Report). AMC has prepared this IGR on the basis of the status of tenure of the Assets as disclosed in the Solicitor's Tenement Report.

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Distribution list

- 1 e-copy to ACDC Metals Pty Ltd
- 1 e-copy to AMC Consultants Melbourne Office

OFFICE USE ONLY Version control (date and time) 25 October 2022 1:15 pm

1 Introduction

ACDC Metals Pty Ltd (ACDC or Company) engaged AMC Consultants Pty Ltd (AMC) to prepare an Independent Geologist's Report (IGR) for certain mineral sands exploration assets (Assets) located in the state of Victoria, Australia. This IGR is to be included in the ACDC's prospectus which is to be dated around the date of this IGR for its proposed initial public offering (IPO) to raise A\$8,000,000 (before costs) (Prospectus) and to facilitate the Company's admission to the Official List of the Australian Securities Exchange (ASX).

In AMC's opinion, the proposed exploration and estimated costs totalling approximately A\$4.2 million as discussed in this IGR will be sufficient to cover the cost of the proposed exploration including drilling, assaying, mineralogy studies and Mineral Resource estimation.

1.1 Compliance with the VALMIN Code and the JORC Code

AMC has prepared this IGR in accordance with the VALMIN Code, 2015 Edition⁵ (VALMIN) and the JORC Code, 2012 Edition⁶ (JORC Code) which is binding upon members of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). AMC has also complied with Australian Securities and Investments Commission (ASIC) regulatory guides RG111⁷ and RG112⁸ to the extent the guides are relevant.

1.2 Scope of Work

ACDC requested AMC to prepare this IGR for the Assets which will be included in the Prospectus to be lodged by ACDC and as such, will become a public document.

1.3 Independence

AMC does not have any business or employment relationship with ACDC.

AMC acted as an independent party. Neither AMC nor any of its directors, employees, contributors to this IGR or associates have or have previously had any interests in ACDC or in the proposed transaction subject of this IGR that could be reasonably construed to affect their independence.

AMC is being paid a fee according to its normal per diem rates and out of pocket expenses in the preparation of this IGR. Its fee is not contingent on the outcome of the transaction subject to this IGR. AMC will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately A\$23,000.

⁵ The Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets. The VALMIN Code 2015 Edition. The VALMIN Code has been prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association. The VALMIN Code is a companion to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The VALMIN Code provides guidance on matters that may be subject to Australian regulations, other provisions of law and published policies and guidance of the Australian Securities and Investment Commission (ASIC) and the Listing Rules of the Australian Securities Exchange (ASX) or of other relevant exchanges.

⁶ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore, 2012 Edition, sets out minimum standards, recommendations, and guidelines for public reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves. Prepared by the Joint Ore Reserves Committee of The Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Minerals Council of Australia.

⁷ Australian Securities & Investments Commission (ASIC), Regulatory Guide 111 – October 2020 – Content of expert reports; gives guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act 2001

⁸ Australian Securities & Investments Commission (ASIC), Regulatory Guide 112 – March 2011, updated August 2015 – Independence of expert; gives ASIC's views on the need for an expert to be independent.

1.4 Reliance on information

In AMC's letter of engagement, ACDC agreed to comply with the obligations of the commissioning entity under the VALMIN Code, including that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information has been made.

In preparing this IGR, to the extent that it is based on information and reports provided by ACDC, AMC has relied on information and reports provided to it by ACDC. AMC accepts no liability in respect of such data or information, save that it has exercised reasonable care as set below, in the use of such data and information. AMC makes no representation and gives no warranty as to the accuracy or completeness of the data or information contained in any information or reports that it has relied on.

ACDC has been provided with drafts of this IGR to enable correction of any factual errors and notation of any material omissions. The views, statements, opinions, and conclusions expressed by AMC are based on the assumption that all data provided to it by ACDC are complete, factual and correct to the best of ACDC's knowledge.

1.5 Site Visit

AMC notes that the VALMIN Code requires that a site inspection be completed should it be "likely to reveal information or data that is material to the IGR". AMC has not conducted a site visit for any of the licences referred to in this IGR as AMC is of the opinion that a site visit would not likely reveal any new information that is material to the assessment of the Assets. This is because AMC has visited similar HM deposits in the area.

1.6 Exploration Licences

ACDC has advised AMC, inter alia, that the Assets consist of:

- Oro Plata Pty Ltd (Oro Plata) is the holder of exploration licence EL007544 (Acapulco) and EL007545 (Chetwynd) in Victoria, collectively known as the Douglas Project. Both applications are dated 8 January 2021 and have a licence expiry date of 16 March 2027
- A binding heads of agreement was entered into between ACDC operations Pty Ltd (ACDC Operations) a wholly owned subsidiary of ACDC and Oro Plata on 1 August 2022 in respect of the acquisition of an initial 80 % interest in the Douglas Project by ACDC Operations.
- Providence Gold and Minerals Pty Ltd (Providence) is the holder of exploration licence EL5278 (Goschen Central Project) in Victoria. The exploration licence was renewed on 25 June 2021 and expires on 24 June 2025.
- A binding heads of agreement was entered into between ACDC Operations and Providence on 20 September 2022 in respect of the acquisition of an initial 80% interest in the Goschen Central Project by ACDC Operations.
- Fish Hawk Resources Pty Ltd (Fish Hawk) is the holder of exploration licence applications ELA7642 and ELA7932 (Watchem Mineral Sands Project) in Victoria. The exploration licence application for ELA7642 was accepted on 29 June 2021 and the exploration licence application for ELA7932 was accepted on 28 March 2022.
- A binding heads of agreement was entered into between ACDC Operations, Fish Hawk and the shareholders of Fish Hawk on 14 September 2022 in respect of the acquisition of an 100% interest in the issued capital of Fish Hawk by ACDC Operations.

Assets reviewed by AMC for the purposes of preparing this IGR consist of:

- Douglas Project comprising:
 - Acapulco exploration licence application (EL007544) covering a total area of 16,700 ha.
 - Chetwynd exploration licence application (EL007545) covering a total area of 13,600 ha.
- Goschen Central Project exploration licence (EL5278) covering a total area of 6,700 ha.
- Watchem Mineral Sands Project exploration licence applications EL007642 covering an area of 50,000 ha and EL007932 covering an area of 50,000 ha.

The mineralisation style most prevalent across these Assets is mineral sands containing a valuable heavy mineral (VHM) concentrate of zircon, rutile, leucoxene, ilmenite and rare earth elements (REE). The Douglas deposits are characterized by being coarse-grained with mean diameter grain size ranging from 130 μ to 160 μ in size, and the Goschen Central Project and Watchem Mineral Sands Project are fine grained. The Goschen Central Project areas have wide zones of mineralisation and high-grade cores (>10 % heavy minerals (HM)), low stripping ratios, and a VHM suite comprising 60% to 80% of heavy mineral concentrate.

Verification of the standing of tenements is not within the scope of this IGR. AMC has prepared this IGR on the basis that the material exploration tenements are in good standing.

1.7 Environmental, social, cultural, and heritage impacts

The Assets are located in western and northern Victoria, which is favourable for access and infrastructure. The land is mostly freehold title (and which is not subject to Native Title). Road, rail access, and grid power are already well provided in the region. The area is almost totally cleared and used for dry land farming.

The Assets cover occurrences of HM sands identified by previous exploration and the region hosts major HM deposits that have been previously mined (Douglas Mineral Sands Mine). Project challenges include the availability of appropriate technology and processes to extract finer-grained HM material from its host sands and clays. The HM occurrences associated with the Assets contain monazite and xenotime in addition to the zircon, rutile, leucoxene and ilmenite. Monazite and xenotime are being evaluated as a source of REE. Both contain thorium.

The climate of the region is characterised by cool, wet winters and long, dry summers. Typical seasonal characteristics include irregular rainfall during warm to hot summers and relatively reliable, moderate rainfall during cool winters. The average annual rainfall is 550 mm. Most rainfall occurs in winter and spring. In summer, the mean daily maximum temperature is 26°C and the mean daily minimum temperature is 13°C. In winter, the mean daily maximum temperature is 13°C and the mean daily minimum is 4.6°C. Annual pan evaporation is estimated to be 1,410 mm, which is approximately 2.5 times the average annual rainfall.

2 Location

2.1 Douglas Project

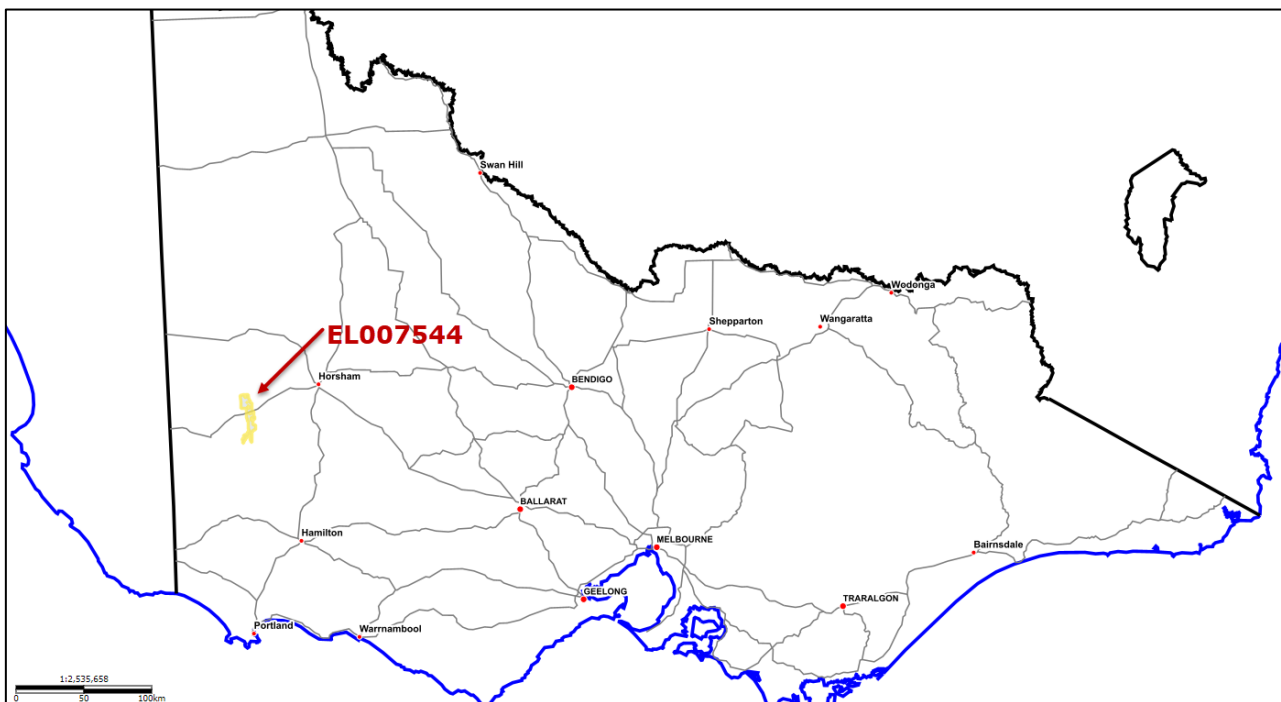
The Douglas Project consists of two exploration licences: Acapulco (EL007544) and Chetwynd (EL007545).

EL007544 is located in western Victoria, approximately 55 km west-southwest of Horsham. Access to the tenement is via the Wimmera Highway to the west from Horsham with a good network of local roads.

EL007545 is located in western Victoria, approximately 43 km south of Edenhope. Access to the tenement is via Harrow Road, then Casterton-Edenhope Road south from Edenhope with a good network of local roads.

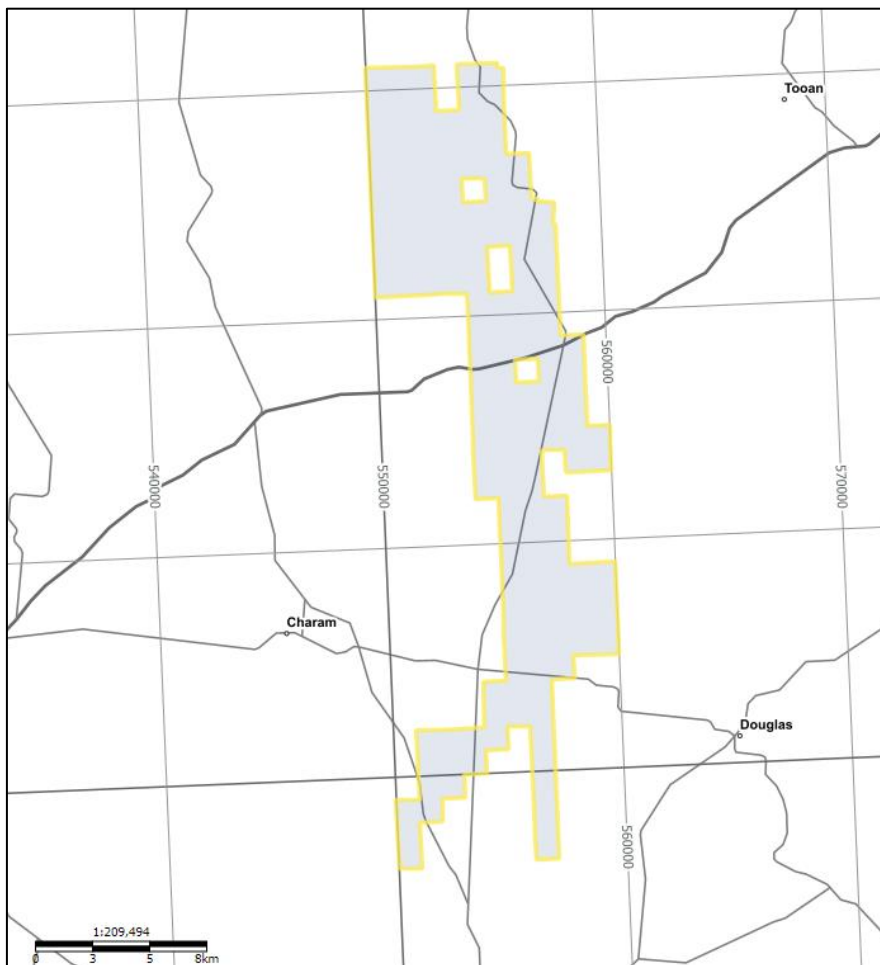
Figure 2.1 to Figure 2.4 show the location of the exploration licence applications as sourced from Earth Resources Victoria.

Figure 2.1 Location of EL007544



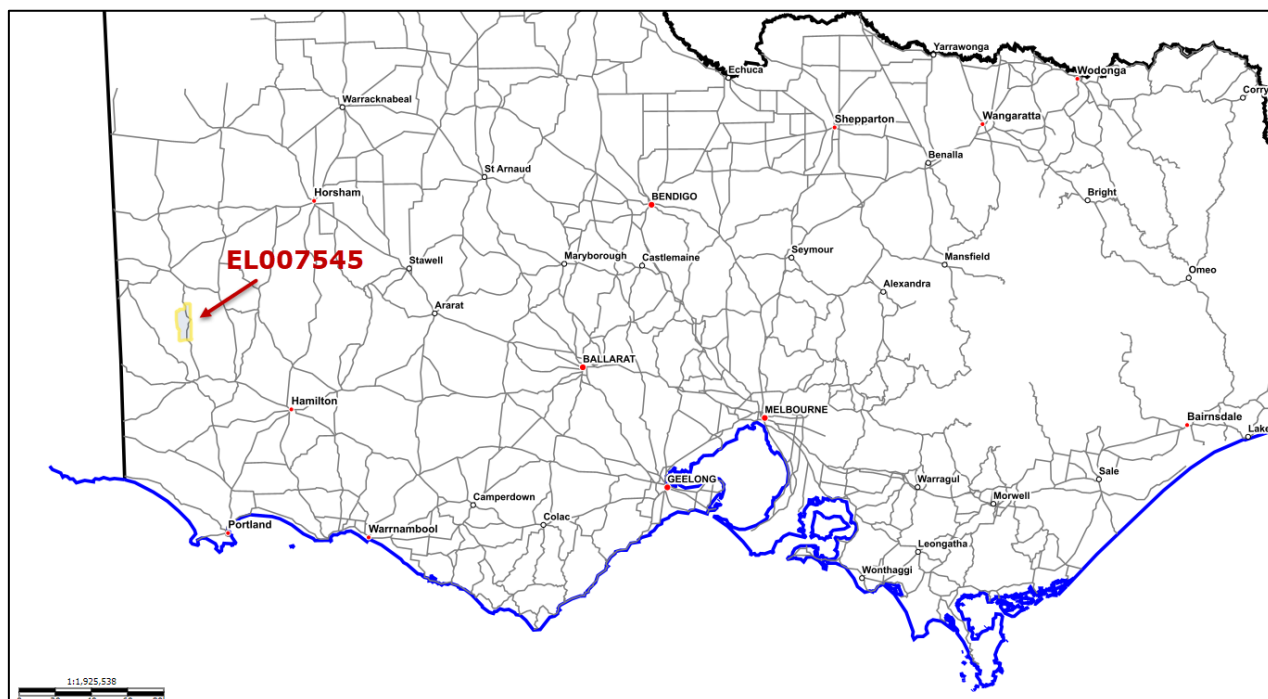
Source: Earth Resources Victoria

Figure 2.2 Detailed location of EL007544



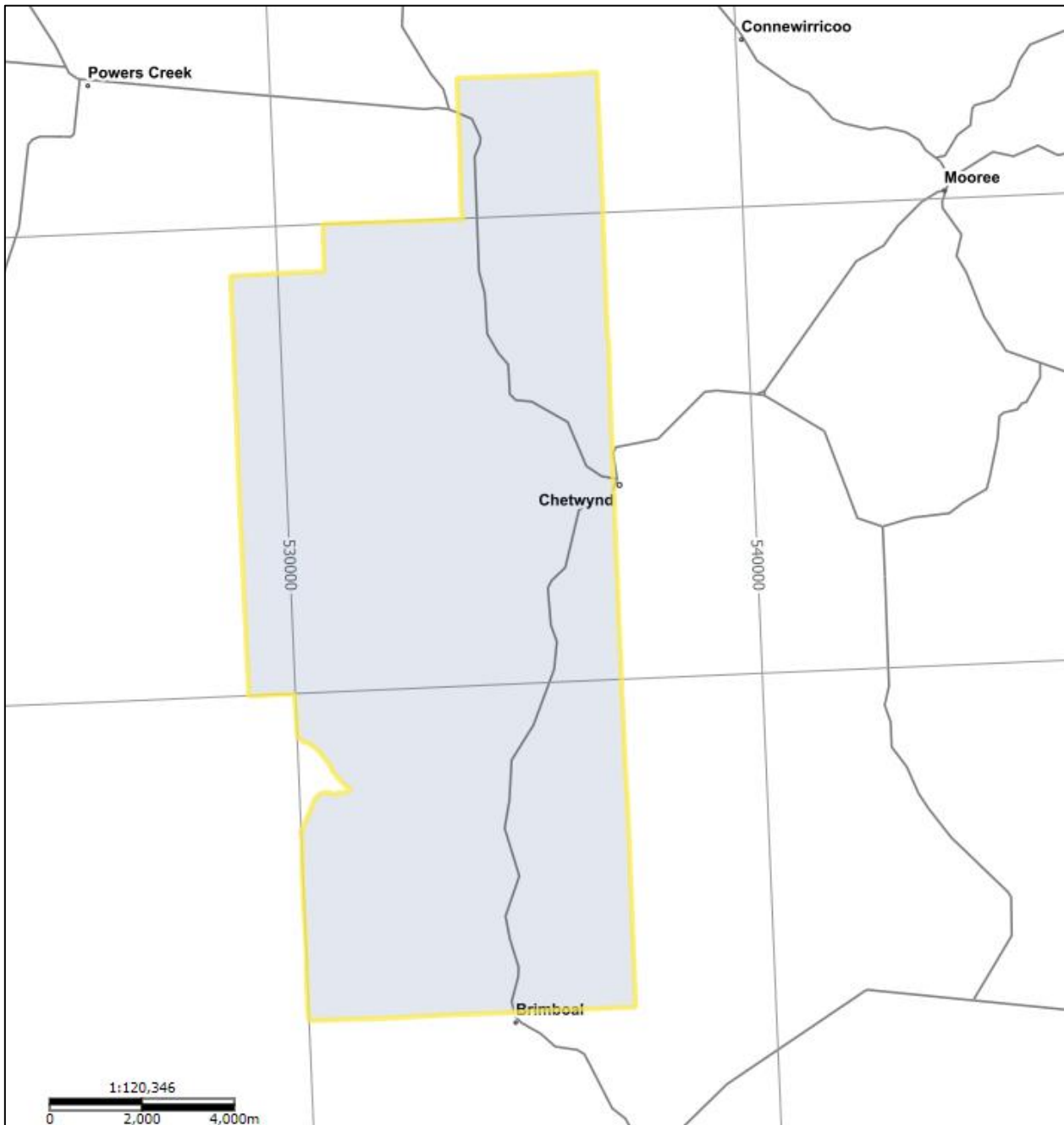
Source: Earth Resources Victoria

Figure 2.3 Location of EL007545



Source: Earth Resources Victoria

Figure 2.4 Detailed location of EL007545

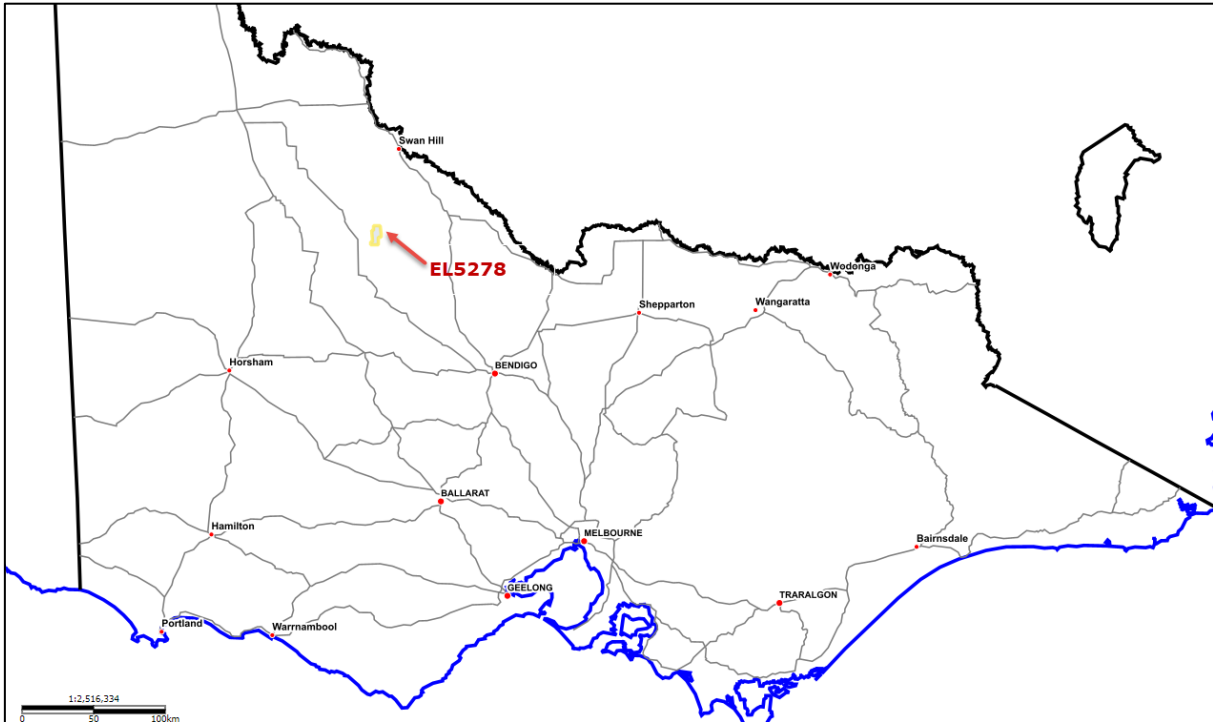


Source: Earth Resources Victoria

2.2 Goschen Central Project

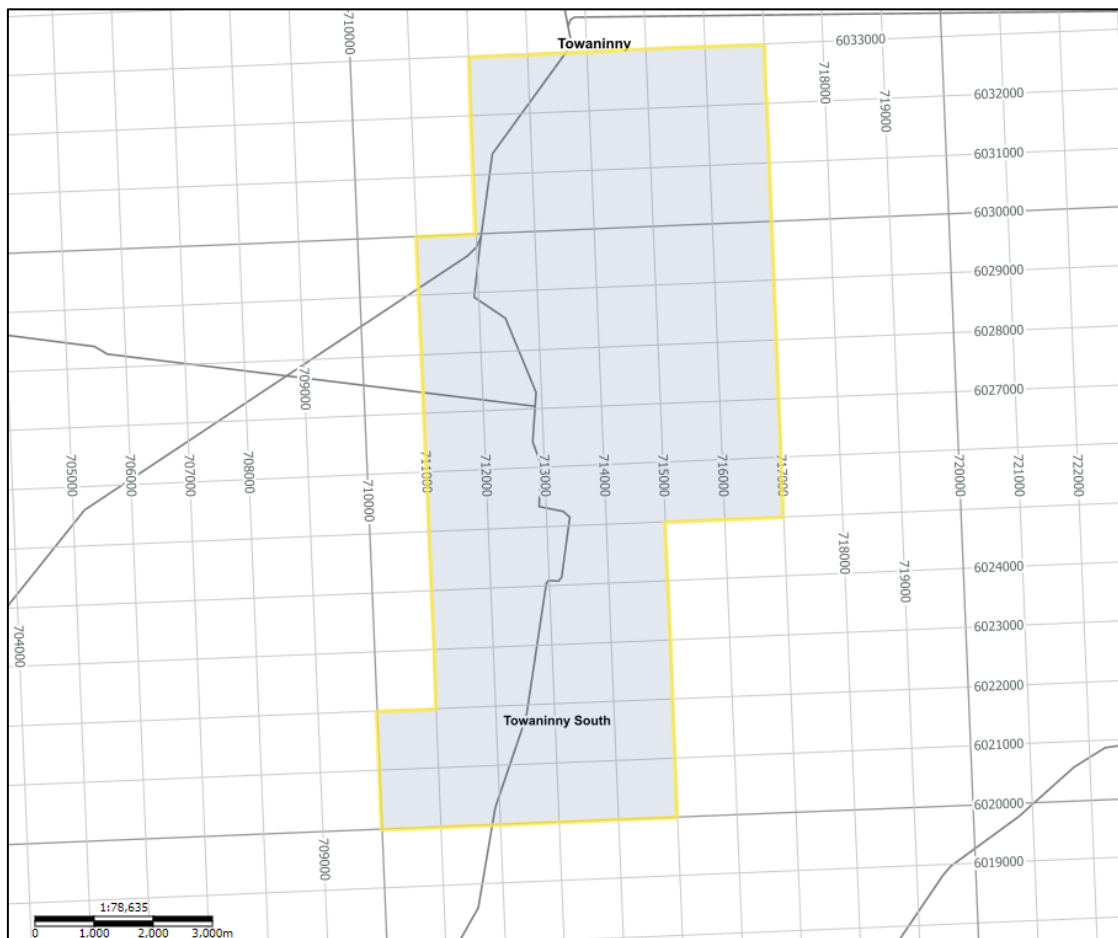
The Goschen Central Project consists of exploration licence EL5278 located approximately 50 km south-southwest of Swan Hill in northern Victoria. Drilling by CRA Exploration Pty Ltd (CRAE) in the 1980s identified HM mineralisation with modest drilling having been completed within the project area since then. Figure 2.5 and Figure 2.6 show the location of EL5278.

Figure 2.5 Location of EL5278



Source: Earth Resources Victoria

Figure 2.6 Detailed location of EL5278

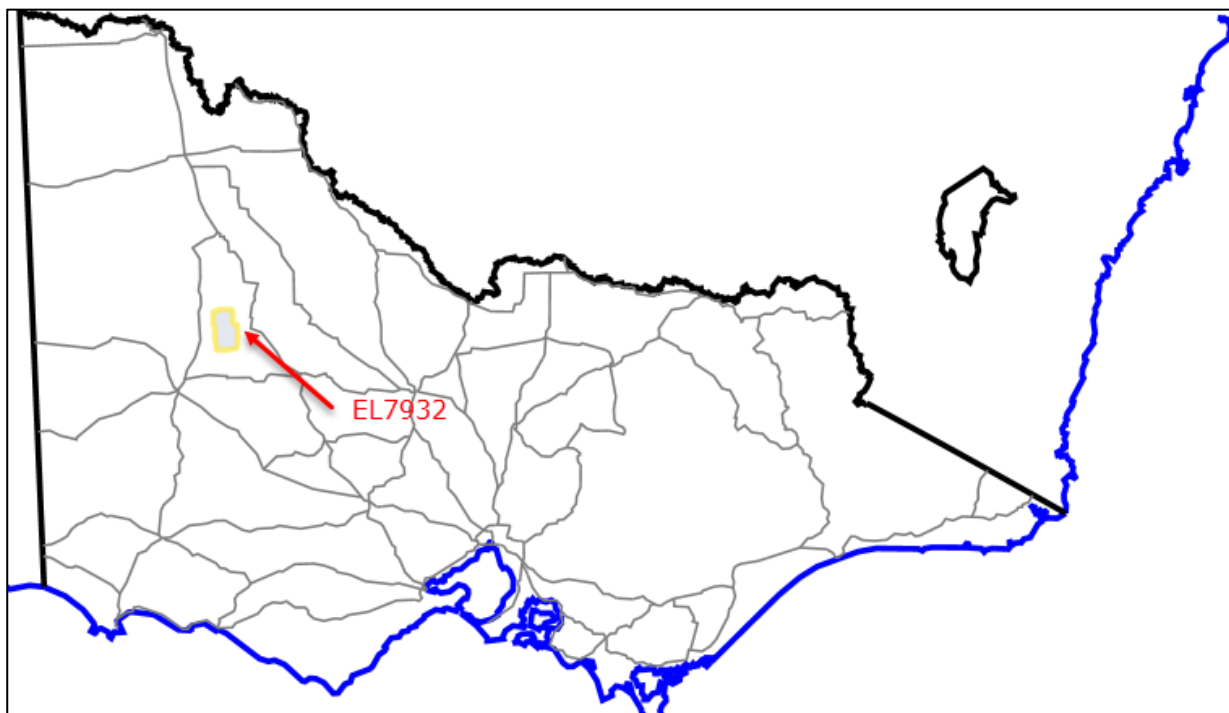


Source: Earth Resources Victoria

2.3 Watchem Mineral Sands Project

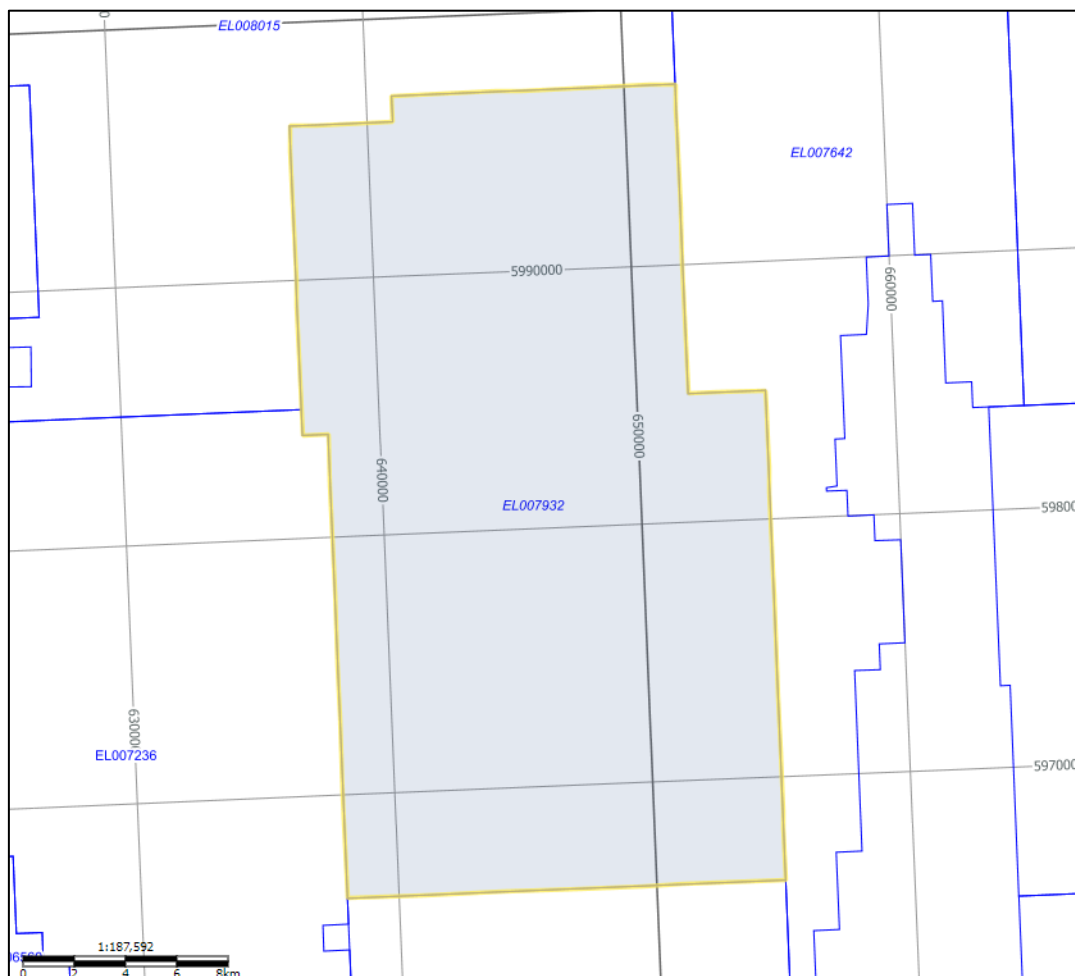
The Watchem Mineral Sands Project consists of exploration licence applications EL7642 located approximately 20 km west of Douglas and EL7932 located approximately 20 km west of Donald in northern Victoria. Drilling by CRA Exploration Pty Ltd (CRAE) in the 1980s identified HM mineralisation with a modest amount of drilling having been completed within the project area since then. Figure 2.7 and Figure 2.8 show the location of EL7932. Figure 2.9 and Figure 2.10 show the location of EL7642.

Figure 2.7 Location of EL7932



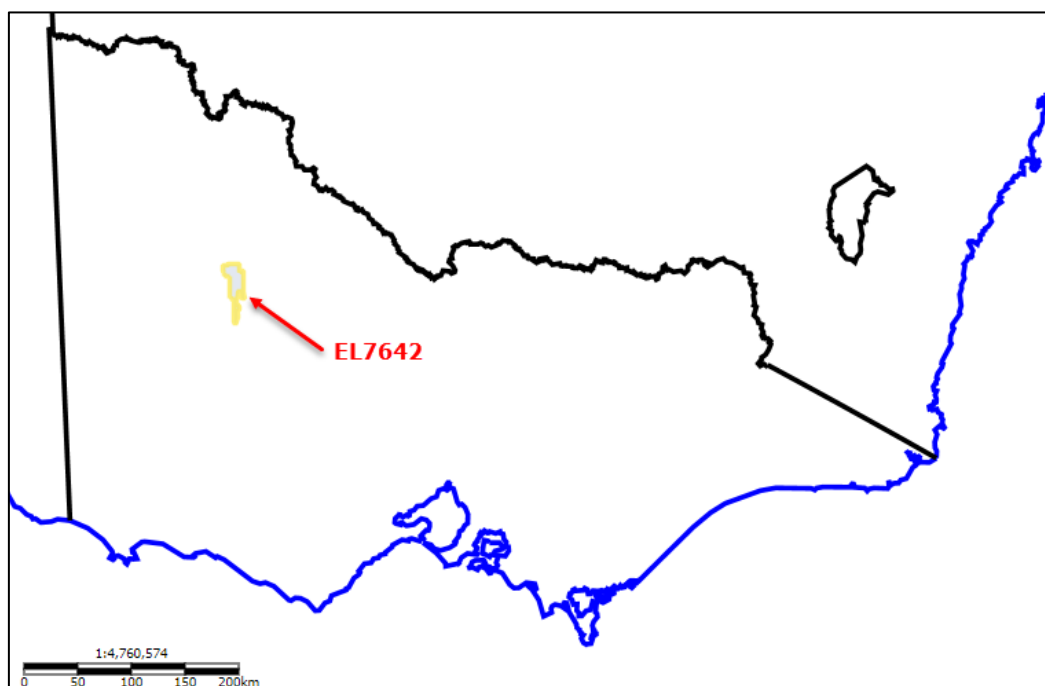
Source: Earth Resources Victoria

Figure 2.8 Detailed location of EL7932



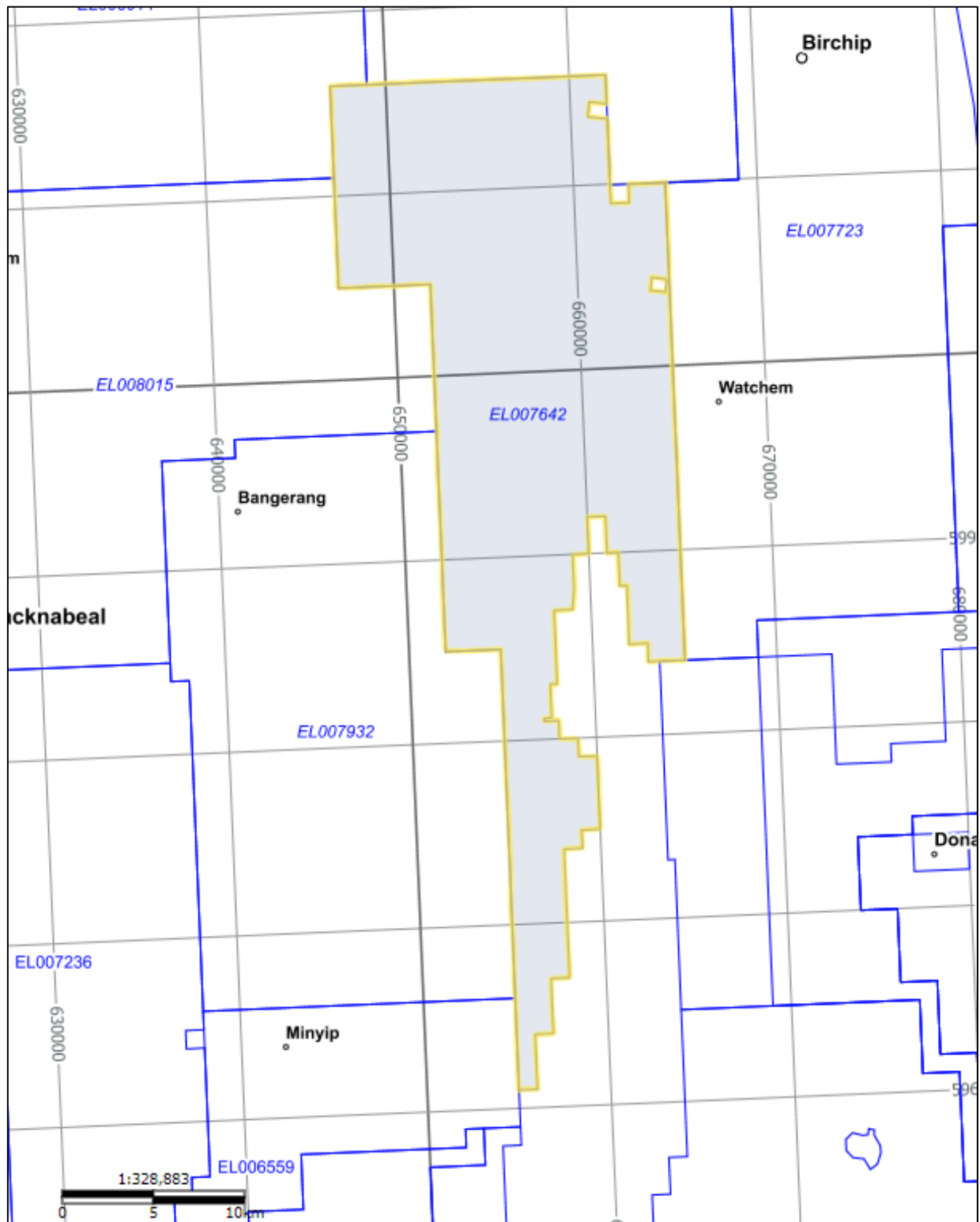
Source: Earth Resources Victoria

Figure 2.9 Location of EL7642



Source: Earth Resources Victoria

Figure 2.10 Detailed location of EL7642



Source: Earth Resources Victoria

3 Regional Geology

The Douglas Project, Goschen Central Project, and Watchem Mineral Sands Project are located in the Murray Basin in south-eastern Australia. The Murray Basin is a low-lying, saucer-shaped intra-cratonic depression containing thin, flat-lying Cainozoic sediments, located in south-eastern Australia. It extends approximately 850 km from east to west and 750 km from north to south, covering an area of 300,000 km² of south-western New South Wales, north-western Victoria and south-eastern South Australia.

A Tertiary succession of freshwater, marine, coastal, and continental sediments deposited HM in the basin. Much of the sedimentary sequence is the result of repeated marine incursions from the south-west, with the latest transgression-regression event resulting in deposition of the Late Miocene to Late Pliocene Loxton-Parilla Sand.

The Parilla Sand was deposited in shallow-marine, littoral, and fluvial conditions and comprises fine to coarse-grained, commonly moderately well-sorted sand with minor clay, silt, mica, and gravel and is the host sequence to all the known HM sand deposits in the Murray Basin. These deposits are of two principal types: the coarser-grained "strand-style" occurrences and the finer-grained Wimmera industrial mineral (WIM) style.

The strand-style deposits occur along the seaward face of ancient shorelines and are the result of concentration and winnowing in a littoral environment. These deposits are consistent with the present (and ancient) east and south-west Australian coastlines and are characterised by one or more relatively narrow (100 m to 500 m) composite lenses from 2 m to 12 m in thickness and are frequently very persistent along any specific mineralised shoreline. The deposits are generally associated with relatively coarse, clean sand and gravel, consistent with any modern active beach environment.

The WIM-style deposits, named after the Wimmera area of the Murray Basin, consist of a solitary or composite broad, lobate sheet-like body of considerable aerial extent, highly sorted and associated with fine micaceous sand. These deposits are thought to represent accumulations formed below the active wave base in a near-shore environment, possibly representing the submarine equivalent of the strand style deposits. The WIM-style deposits are considerably larger in tonnage and lower in grade than strand line deposits.

In the late Pliocene or early Pleistocene times, the Murray Basin was closed by uplift in the south-west. Major lakes formed and deposited a thick sequence of sediments dominated by clay. The onset of arid climate conditions about 500,000 years ago has added an extensive system of playa lakes and aeolian sands to the cover sequence of the central and northern Murray Basin. Quaternary to Recent-aged river systems helped create the present-day surface geology and geomorphology. The mineral sand deposits are buried beneath Quaternary and Tertiary-aged fluvial sediments.

The fine-grained HM mineralisation tends to form internal higher-grade zones within the area, which trend north to south. The mineralisation deepens to the west and overburden increases. In parts of the area, the fine-grained silty sand ore disperses in an east to west direction trending silty clay units interpreted as washout zones and they tend to contain no heavy minerals.

Areas of mineralisation occur immediately above the Geera Clay decreasing in grade towards the top of the fine-grained Parilla Sand unit. An overlying medium to coarse-grained silty sand unit of the Parilla Sand overlies the fine-grained unit.

Below the Geera Clay, the Renmark Formation consists of silt and sand units with pyrite and carbonaceous (lignitic-rich) matter. At its base, clean gravel beds occur in places.

HM sands were first reported in the Murray Basin in Victoria in 1967. HM sands are placer deposits in which high specific gravity minerals are concentrated. The VHM fraction of mineral sands deposits includes zircon, rutile, leucoxene, ilmenite, and monazite (which contain the REE).

The first significant HM sands discovery within the Murray Basin, Australia, was made in 1982 at the WIM150 deposit near Horsham, Victoria. This fine-grained (20 µm to 7 µm) deposit formed in an offshore environment (WIM-style deposit). The HM sands are within the Loxton Sand, which is prospective throughout the Murray Basin for HM sands in both strandlines and WIM-style deposits.

The host to mineralisation, the Loxton-Parilla Sands, has been collectively used to describe the entire marine and coastal sequence that was formed during the Pliocene incursion of the Murray Sea.

The Murray Basin is a large, sparsely populated region with areas of more intense development at Broken Hill and Mildura.

The Murray Basin is an intracratonic sedimentary basin of Cainozoic age that extends across 300,000 square kilometres of New South Wales, Victoria, and South Australia. The upper sequences, principally the Loxton-Parilla Sands, Calivil Formation and Shepparton Formation, contain economic accumulations of heavy mineral sands; bentonite; kaolin; and gypsum. Mineral sands are the most significant commodities in the Murray Basin because of their large resources of high-quality coarse-grained rutile, zircon and ilmenite.

The mineral sand deposits of the Murray Basin formed in a diverse array of alluvial, lacustrine, estuarine, deltaic and shallow marine settings (Brown & Stephenson 1991). Thick deposits of heavy mineral sands that accumulated in early Pliocene sequences in the northern Murray Basin are believed to represent coastal barrier stacking that occurred during multiple sea level fluctuations of at least 40 m.

The Murray Basin contains more than 100 Pliocene coastal sand deposits, which are estimated to hold, in total, heavy-mineral resources of more than 80 Mt (Roy and Whitehouse, 2003). The high concentrations of heavy minerals found in strandline sands in the Murray basin were deposited during Pliocene seashore progradation events driven by sea level oscillations (Roy and others, 2000; Roy and Whitehouse, 2003). They suggest that the heavy minerals in the sand deposits were derived from storm and wave reworking of underlying heavy-mineral bearing Miocene sands, and that erosion and deposition were aided by growth faults.

Numerous deposits of heavy mineral sands that contain premium-quality rutile, zircon and ilmenite are found in the central and western parts of the Murray Basin. They occur as relatively coarse-grained placers (100–350 microns) that formed in the beach-surf zone of prograded barriers of the Pliocene Loxton-Parilla Sands, and fine-grained deposits (40–100 microns) ('WIM-style' deposits) that accumulated in lower shore and inner shelf environments (Williams 1990; Whitehouse et al. 1999).

In several parts of the Murray Basin, fine-grained heavy minerals WIM-style deposits are extensively developed and they have the potential to host very large resources of heavy minerals (Williams 1990). These deposits typically have broad lobe-shaped geometries and are irregularly distributed seaward-dipping lenses of heavy minerals rich sand (HM grades up to 40%) separated by barren or poorly mineralised sand layers of variable thickness.

4 Douglas Project

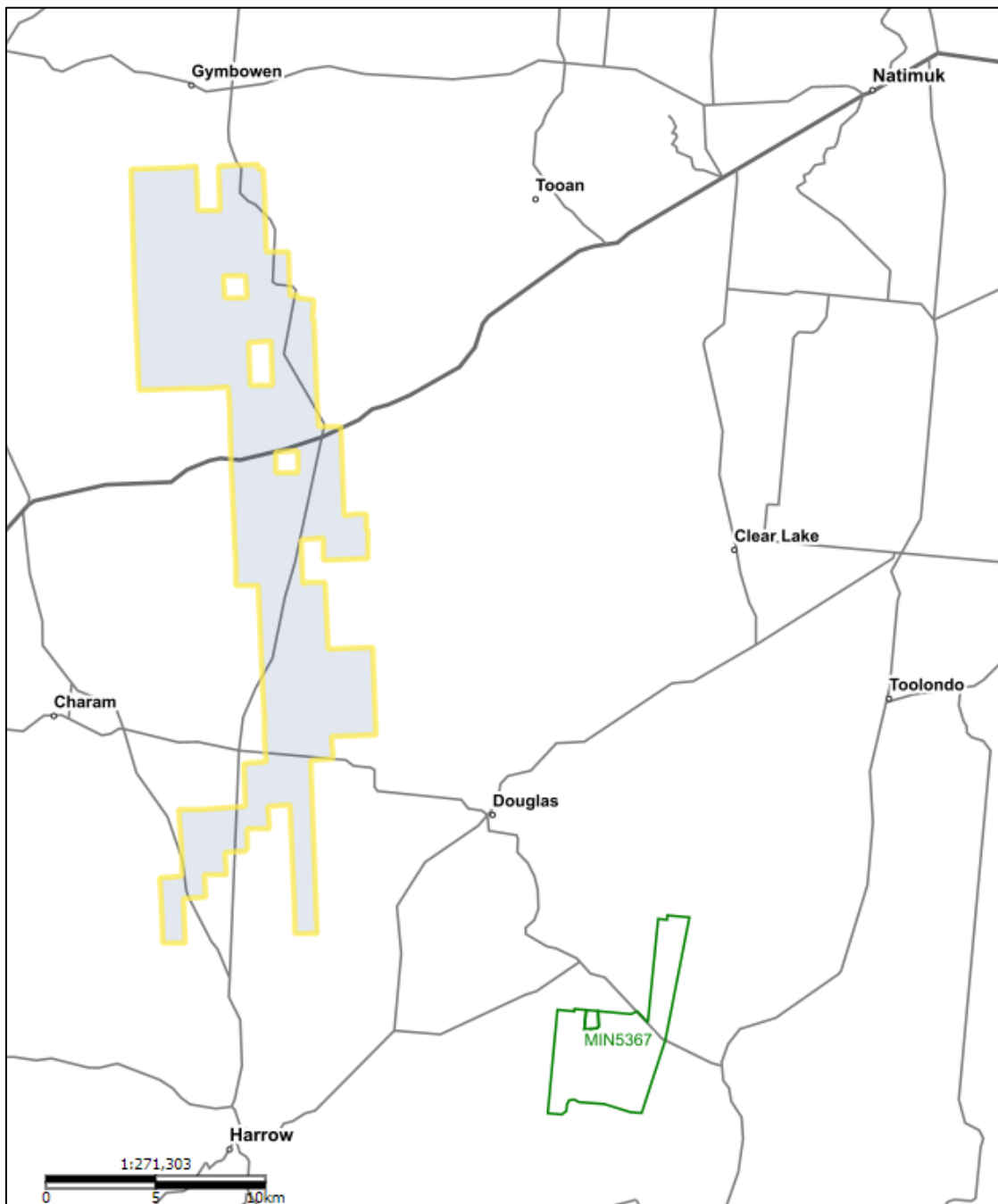
4.1 Local geology

EL007544 is close to mining licence MIN5367 where the Douglas Mineral Sands Mine was operated by Iluka Resources Pty Ltd (Iluka) (Figure 4.1) with mining being completed in 2012. The Douglas Area which consists of mineralization around the township of Douglas comprises several mineralised strandlines and includes the Douglas Project and Douglas Mineral Sands Mine. The four main strandlines of economic interest are, from west to east, Acapulco, Bondi, Bondi East, and Echo. The HM concentrate is coarse-grained with mean diameter grain size of the strandline deposits ranging from 130 μm to 160 μm in size.

The Douglas Area HM occurrences on the West Wimmera Strand Plain domain are characterised by wide zones of mineralisation with high-grade cores (>10 per cent HM), low stripping ratios, and a valuable economic heavy mineral suite comprising 60 to 80 per cent of heavy minerals.

The Douglas Area on the West Wimmera Strand Plain domain appear different from other deposits in the Murray Basin because they are generally thick, wide and contain high HM grades. There is also an absence of cover sediments over much of the prospective beach sequence. VHM comprises 60% to 90% of the raw HM concentrate and varies widely between deposits. Ilmenite is generally dominant (40% to 58%) with leucoxene (5% to 7%), rutile (4% to 10%), and zircon (4% to 14%). Within the area the variation in mineral assemblage is more marked. Extreme sorting of HM occurs between lenses and within lenses. High zircon grades are developed on the eastern side of individual strands, particularly against steeply cut beach scour surfaces. Similarly, in stacked beach lenses, the most landward lens will often contain the highest grades and are preferentially enriched in zircon. Behind the back wall of the deposit, the 'blow over' part of the orebody typically contains higher levels of lighter leucoxene and non-economic trash minerals such as tourmaline. Increasing levels of lighter trash minerals are found away from the main areas of concentration and northwards along the strandlines away from the basement palaeo-coastline. Dunal deposits are rare in close association with high-grade strandlines in the Douglas Area, but massive low-grade dunal deposits, considerably displaced from the main strand are evident at Acapulco in exploration results to-date. High-grade areas are common within these deposits.

Figure 4.1 Location of EL00754 and Douglas Mineral Sands Mine (MIN5367)



Source: Earth Resources Victoria

Note Yellow outline defines EL007544 and Green outline is MIN5367 (Douglas Deposit)

4.2 Exploration

4.2.1 Exploration on adjacent properties

Mineral sand mining on MIN5367 at the Douglas Mineral Sands Mine, which is not associated with EL007544 or EL007545, commenced in 2004 and was completed in 2012. Mining of Pit 23 occurred between 2010 and 2012, with deposition of on-site wet concentrator plant tailings occurring between late 2011 and early 2012. Since processing concluded in early 2012, the main activities at the Douglas Mineral Sands Mine have been the deposition of mineral separation plant by-products into Pit 23 and rehabilitation of other parts of the mine. Partial rehabilitation of the Douglas Mineral Sands Mine site has occurred without unplanned or unexpected adverse impacts on the environment since the cessation of mineral sands mining by Iluka.

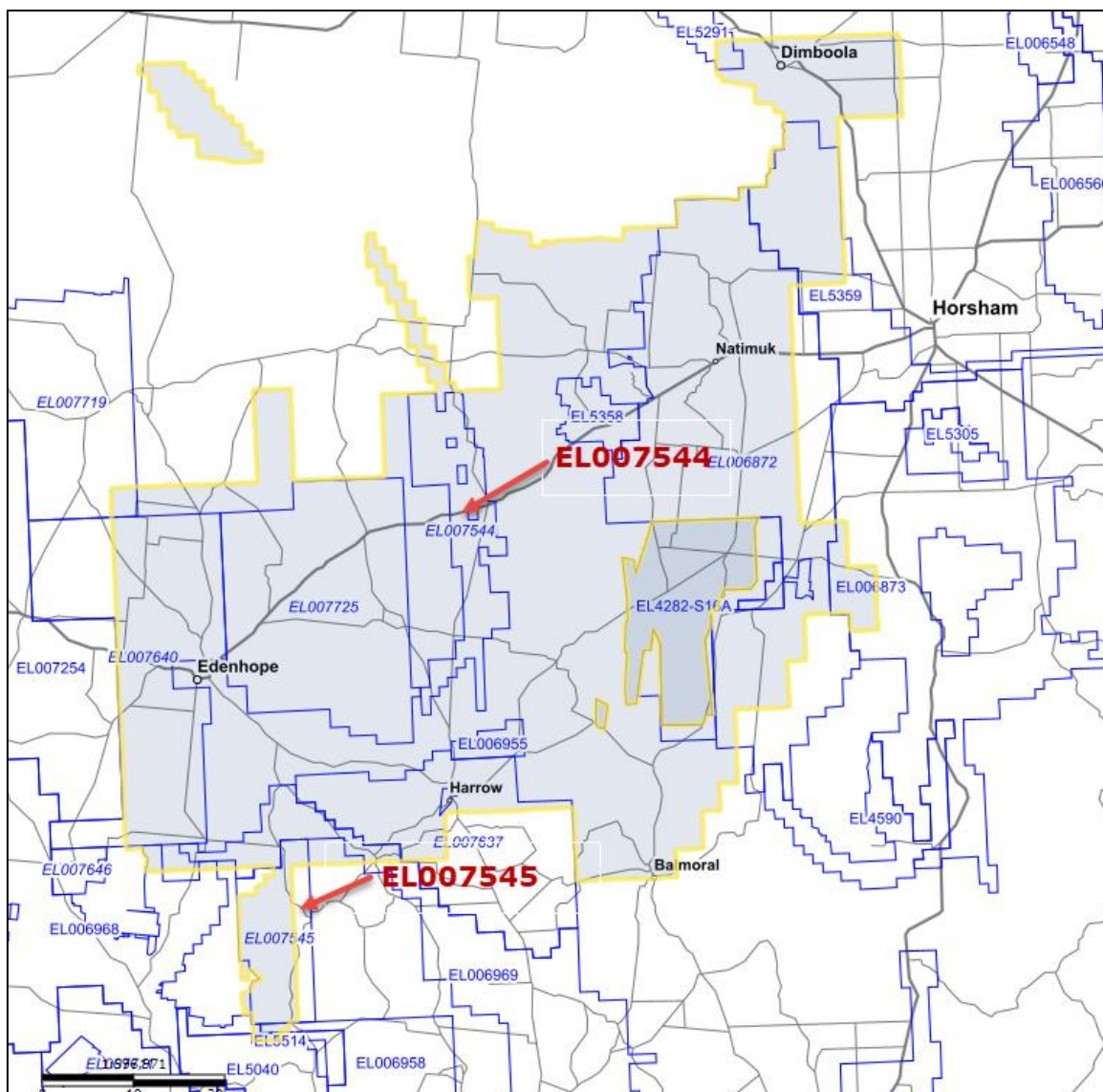
4.3 Previous Exploration

The first high-level mineral sands exploration in the area was undertaken by Austiex in 1977, followed by Rio Tinto/CRAE in 1988, as part of an intensive exploration programme over western Victoria. No drilling was carried out in the Acapulco area. Between 1989 and 1991, TC Pacific Resources carried out work in joint venture with Burmine Ltd, Denison Australia Pty Ltd, and Euraust Minerals Exploration Pty Ltd.

The first comprehensive exploration work at Acapulco was undertaken by Basin Minerals Holdings NL (Basin Minerals), which commenced exploration for conventional strandline-hosted mineral sands (rutile, ilmenite, and zircon) deposits in the Murray Basin in April 1997. Basin Minerals carried out an intensive airborne magnetic survey across the northern half of the Basin Minerals tenement EL4282 that is partly covered by the Douglas Mineral Sands Mine tenements. The magnetic survey, commissioned in 1998, was flown by UTS Geophysics and led to the discovery of a major mineral sands field in the Douglas area.

Figure 4.2 shows the location of EL007544 and EL007545 within EL4282 where exploration and drilling were carried out by Basin Minerals.

Figure 4.2 Location of EL007544 and EL007545 within EL4282



Source: Earth Resources Victoria

Note: Yellow line defines EL4282 boundary

Drilling

Within a relinquished part of EL4282, drilling programmes were undertaken in 1998, 1999, 2000, 2001, 2004, and 2005. Reverse circulation BQ aircore drilling using contractor Westralian Diamond Drillers Pty Ltd was used to test strandline targets. The holes drilled into the Acapulco prospect showed that the strandline with extensive high-grade heavy mineral was well defined.

Sample Analysis

Basin Minerals carried out HM determinations on core samples at its Horsham laboratory. The process involved the sample being crushed to a nominal 5 mm and then riffle split. The resulting samples were weighed and then split to between 150 g and 300 g (higher for high slimes). The samples were soaked in a tetrasodium pyrophosphate (TSPP) solution to ensure all clay material was broken down. The sample was then de-slimes through a 63 µm sieve with the 63 µm to 5 mm fraction dried and weighed before sieving at 2 mm.

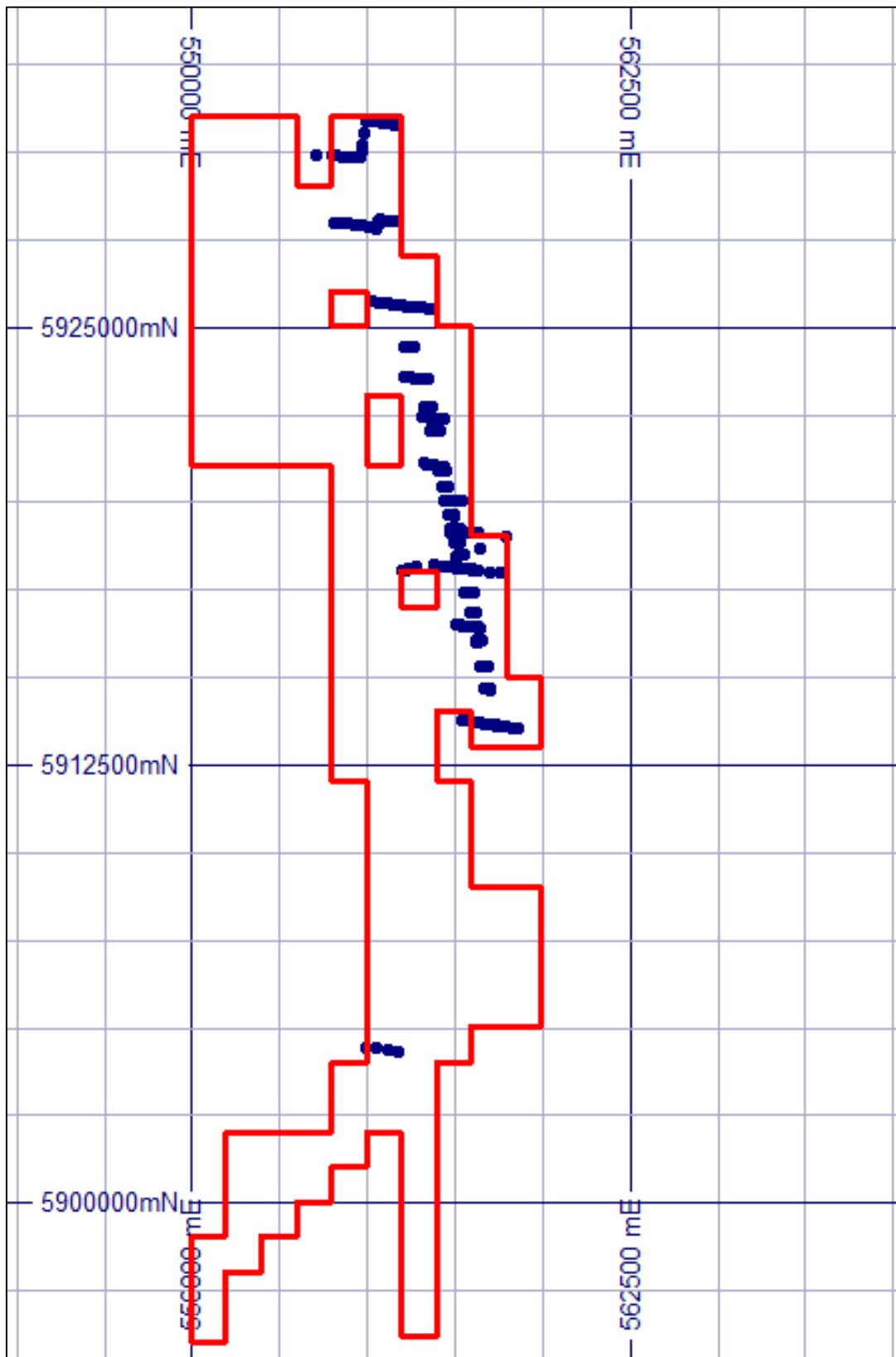
The +2 mm oversize was kept and the remaining 63 µm to 2 mm sand fraction was riffle split to ~80 g and dispatched to Diamantina Laboratories or Western Geochemical Laboratories for tetra bromo ethane (TBE) heavy liquid separation to produce a HM concentrate. The sink from the TBE separation was weighed to determine the per cent HM for the entire sample.

Iluka (which purchased Basin Minerals in 2002) carried out HM determination at its Hamilton laboratory. The process involved the sample being dried, weighed, attrition then wet screened to remove material <53 µm (slimes). The samples were again dried, weighed and screened to remove material >2mm (oversize).

The samples were further screened at 710 µm and a subsample from the 53 µm to 710 µm fraction undergoing HM separation using lithium polytungstate. The weights were then used to calculate the per cent slimes, oversize and per cent HM for the entire sample.

The locations of holes drilled to test for HM are shown in Figure 4.3 for EL007544 and Figure 4.4 for EL007545.

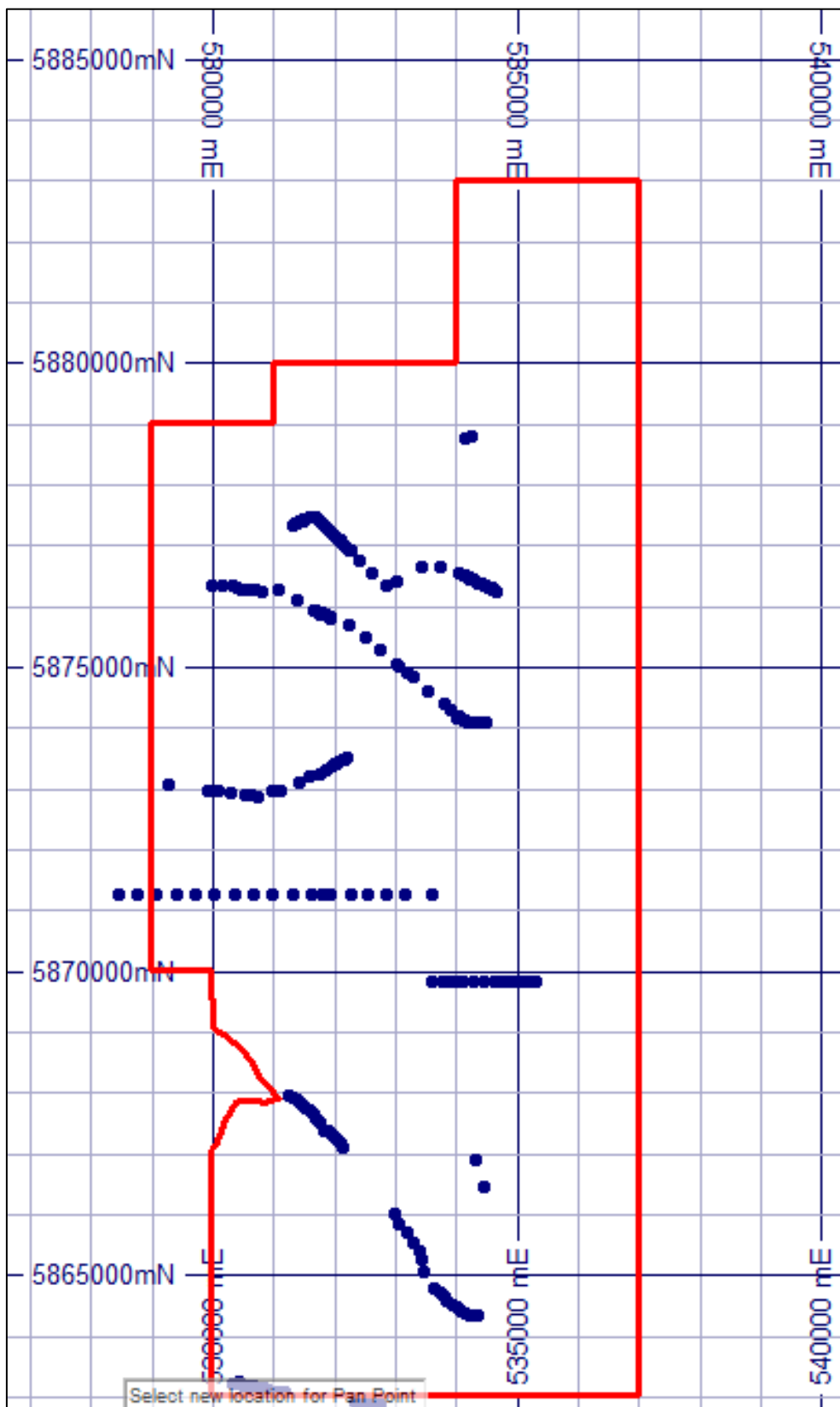
Figure 4.3 Holes drilled for mineral sands within EL007544



Source: AMC Consultants

Note Ref line is EL007544 and blue dots the drillhole locations

Figure 4.4 Holes drilled for mineral sands within EL007545

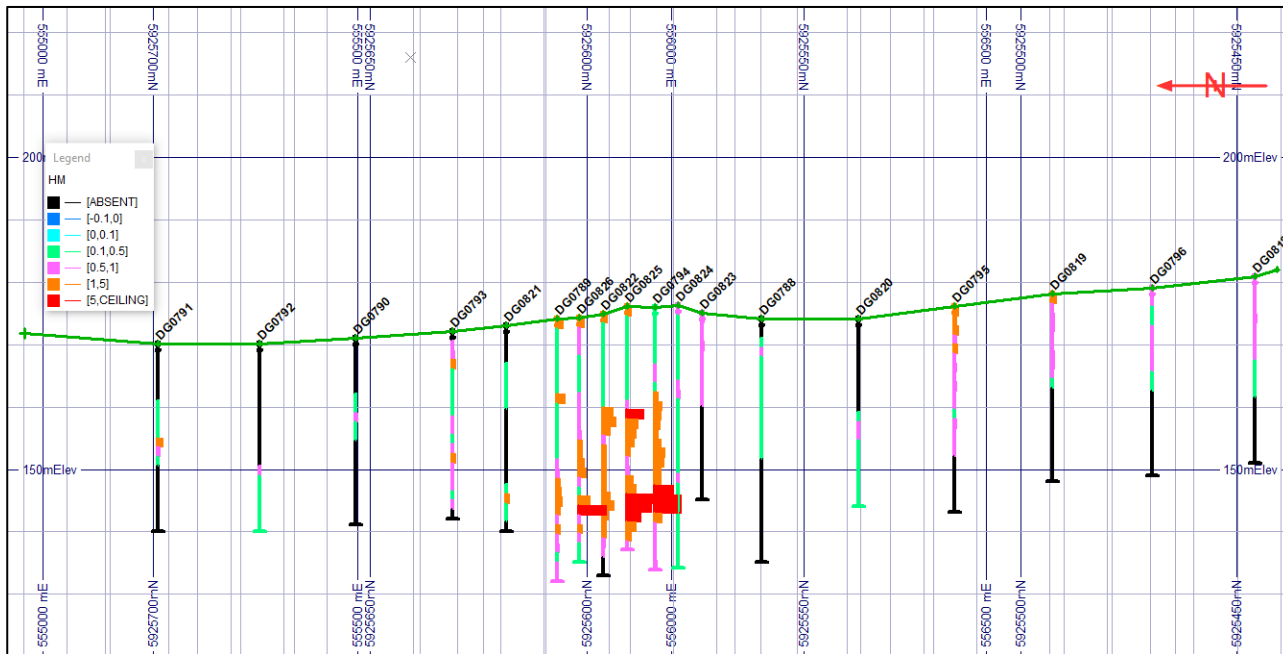


Source: AMC Consultants

Note Ref line is EL007544 and blue dots the drillhole locations

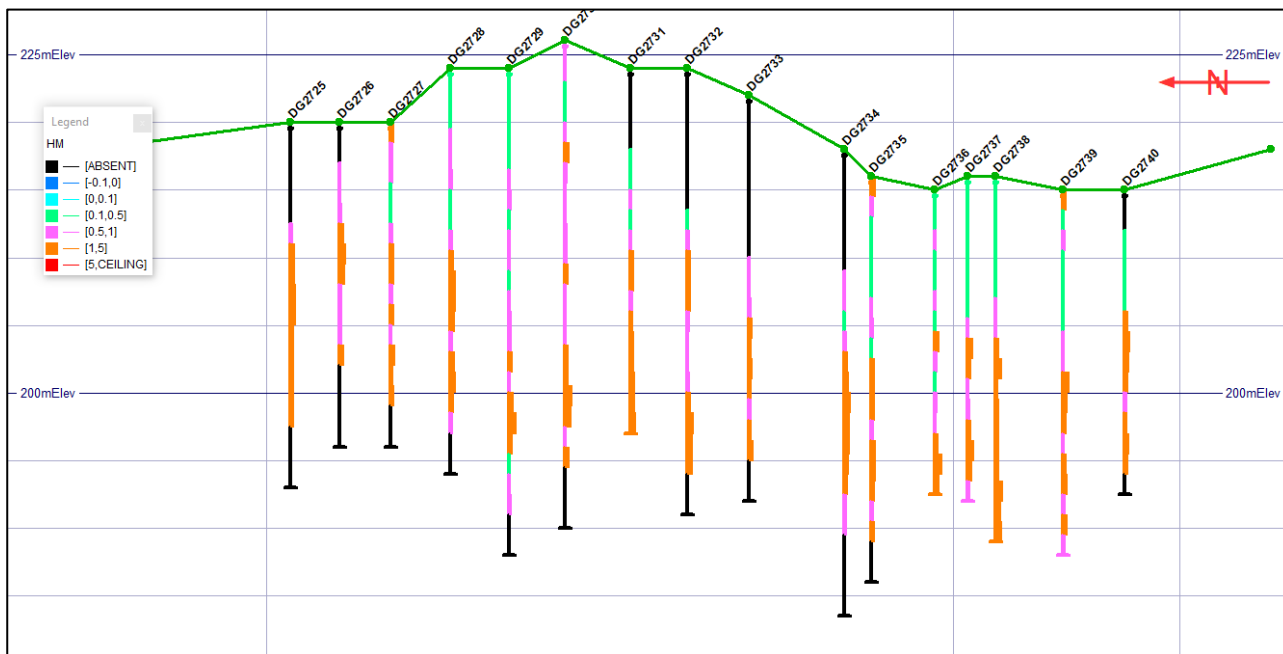
Figure 4.5 (EL007544) and Figure 4.6 (EL007545) show cross-sections with the HM grade intersections across the exploration licences. Figure 4.7 shows a log probability plot of the HM grades with 70 % greater than 1 % HM.

Figure 4.5 Cross-section showing HM grades EL7544



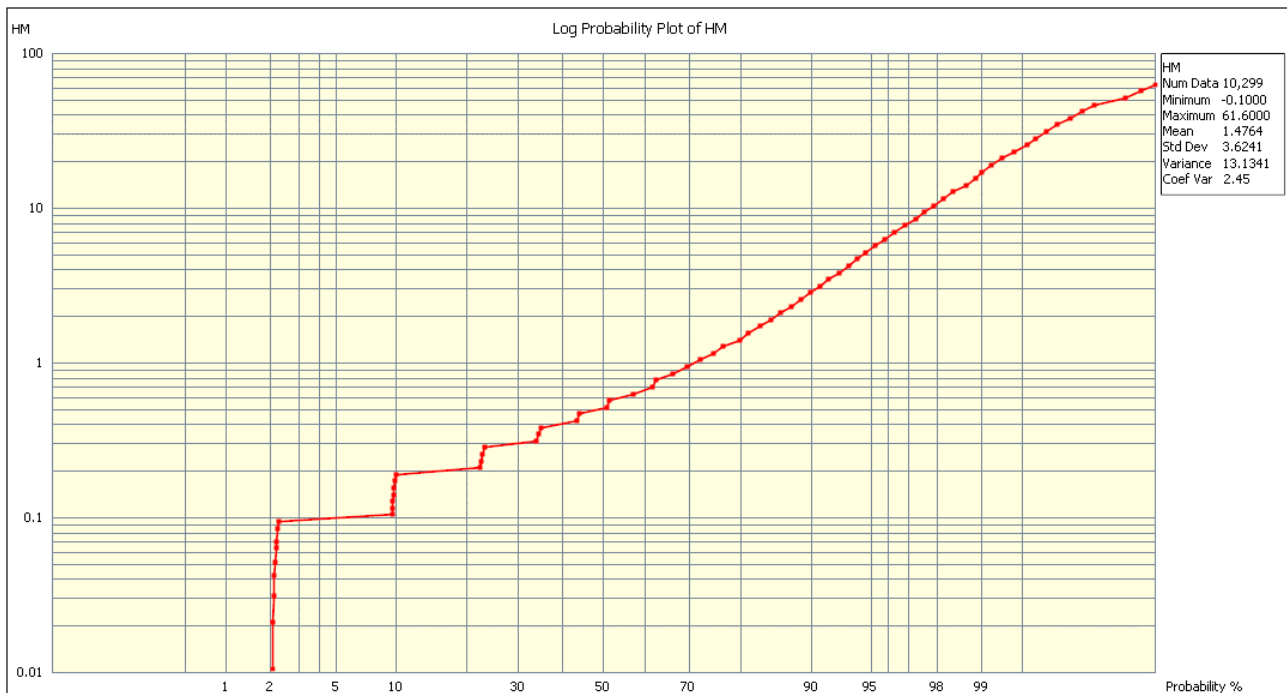
Source: AMC Consultants

Figure 4.6 Cross-section showing HM grades EL7545



Source: AMC Consultants

Figure 4.7 Log probability plot of HM grades from drilling Located in EL007544 and EL007545



Mineralized Zones

Three mineralised zones were defined by Basin Minerals before Iluka’s drilling in the Chetwynd region: Chetwynd, Chetwynd West, and Chetwynd Dune deposits. The mineralisation associated with these zones is relatively shallow and mainly of low (<5% HM) grade. HM grain size was highly variable. No Mineral Resource estimates have been reported.

4.4 JORC Code Table 1

Appendix A contains JORC Code Table 1 Sections 1 and 2 for the Douglas Project area.

4.5 Proposed Exploration

The proposed exploration, which will be undertaken after granting of the licences has taken place and estimated costs are shown in Table 4.1.

Table 4.1 Proposed exploration and estimated costs – Douglas Project

Activity	Year 1 (A\$)	Year 2 (A\$)
Drilling	345,000	345,000
Metallurgical, Geophysical and Geological studies	30,000	135,000
Project Studies	150,000	150,000
Management	100,000	137,500
Total	625,000	730,000

The total programme has an estimated cost of approximately A\$1,355,000.

The Company plans to undertake a systematic exploration and definition programme at the Douglas Project. Commencing with geological and geophysical investigations in conjunction with drilling. The drilling will be undertaken at an appropriate drill density, to gain a fuller understanding of the mineral potential and the potential size and grade of resources, with an aim of defining a resource estimate that can be classified and reported according to the JORC Code, contingent on successful outcomes of the programme.

On completion of the drilling the Company will hold a much greater understanding of the grade distribution and mineral resources present. This shall enable large diameter drilling to be targeted at the most suitable and representative locations to provide the bulk samples required for both beneficiation and rare earth recovery pilot plant test work. The drill samples will also be used to determine the mineralogy and processing characteristics, and potential for development.

Samples collected as part of the drilling will be utilised for bench scale beneficiation test. A key aim of this test work will be to prepare a high-grade concentrate of mineral sand monazite.

4.6 Exploration Prospectivity

The results of the previous drilling and assaying indicating the licence area contains HM and therefore warrants further exploration and drilling to confirm the extent of HM within the licence area.

5 Goschen Central Project

5.1 Local Geology

The Goschen Central Project includes both fine-grained sheet-style HM 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.

A paper presented at the Murray Basin Mineral Sands Conference in 1999 (Ross 1999) discusses the location of the Goschen deposits relative to Palaeozoic basement geology. It explains how differential weathering of the centre of Devonian granite plutons versus their more resistant hornfels rim has created small basins onto which early Murray Basin sediments have sagged leaving a depression for the Loxton-Parilla Sands and fine-grained mineral sand mineralisation to deposit.

5.2 Exploration

Previous work in the Goschen Central Project area was undertaken by CRAE in late 1980s and early 1990s when WIM-style deposits were considered attractive exploration targets within the Murray Basin. Drilling for early exploration work was widely spaced (1,000 m to 2,000 m) to effectively recognise high-grade, coarse-grained (>90 µm) strands that often overly the deeper "offshore" style WIM-style deposits. CRAE carried out extensive exploration for HM in the area in 1998. Information obtained from the exploration include drillhole collar locations, hole depths, sampling and assay details for coarse and fine fractions, as well as gamma log indications of mineralisation.

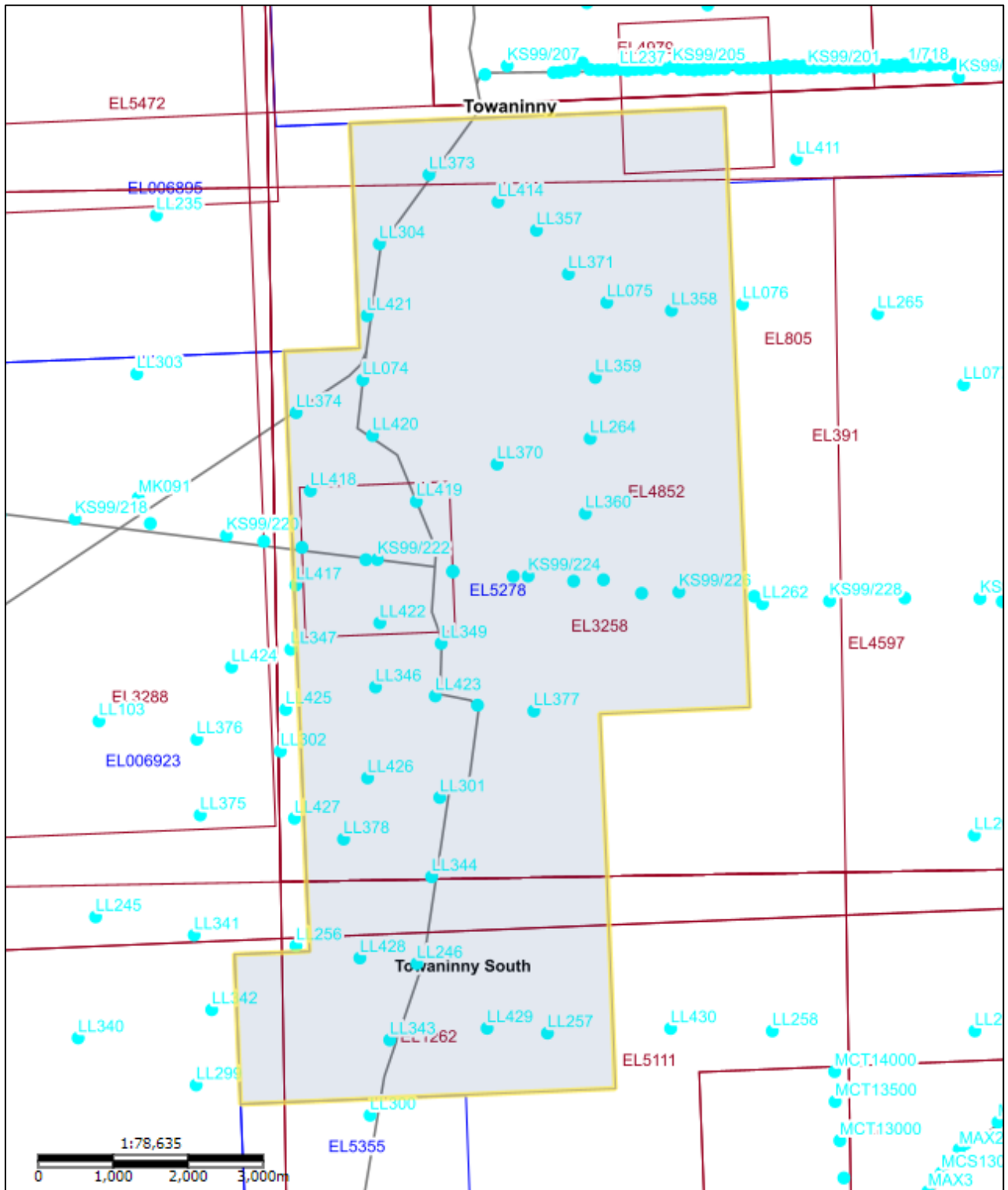
CRAE defined a large lobate WIM- style HM deposit within the south-west quadrant of the then EL4056. CRAE determined the mineralogy of mineral sand concentrates using optical microscopy and grain counting. CRAE visually estimated mineral sand grades before combining all samples from a particular visually estimated mineralised zone into one composite sample or several composite samples for testwork. Composite samples were re-weighed before all of the assays were plotted up to show the percentage breakdown of the various grain size fractions.

Providence initially acquired interests in the district in the late 1990s with an objective to identify viable HM deposits. Providence conducted the following exploration work:

- Compilation of prior exploration work (CRAE)
- Analysis and interpretation of results.
- Submitting of a new exploration work plan.
- Drilling of two traverses (of a planned three) of scout drilling some distance north of Towaninny.
- Preliminary mineralogical assemblage work.

Figure 5.1 shows the location of the holes drilled for HM within EL5278.

Figure 5.1 Holes drilled for mineral sands within EL5278



Source: Earth Resources Victoria

5.3 Mineralisation

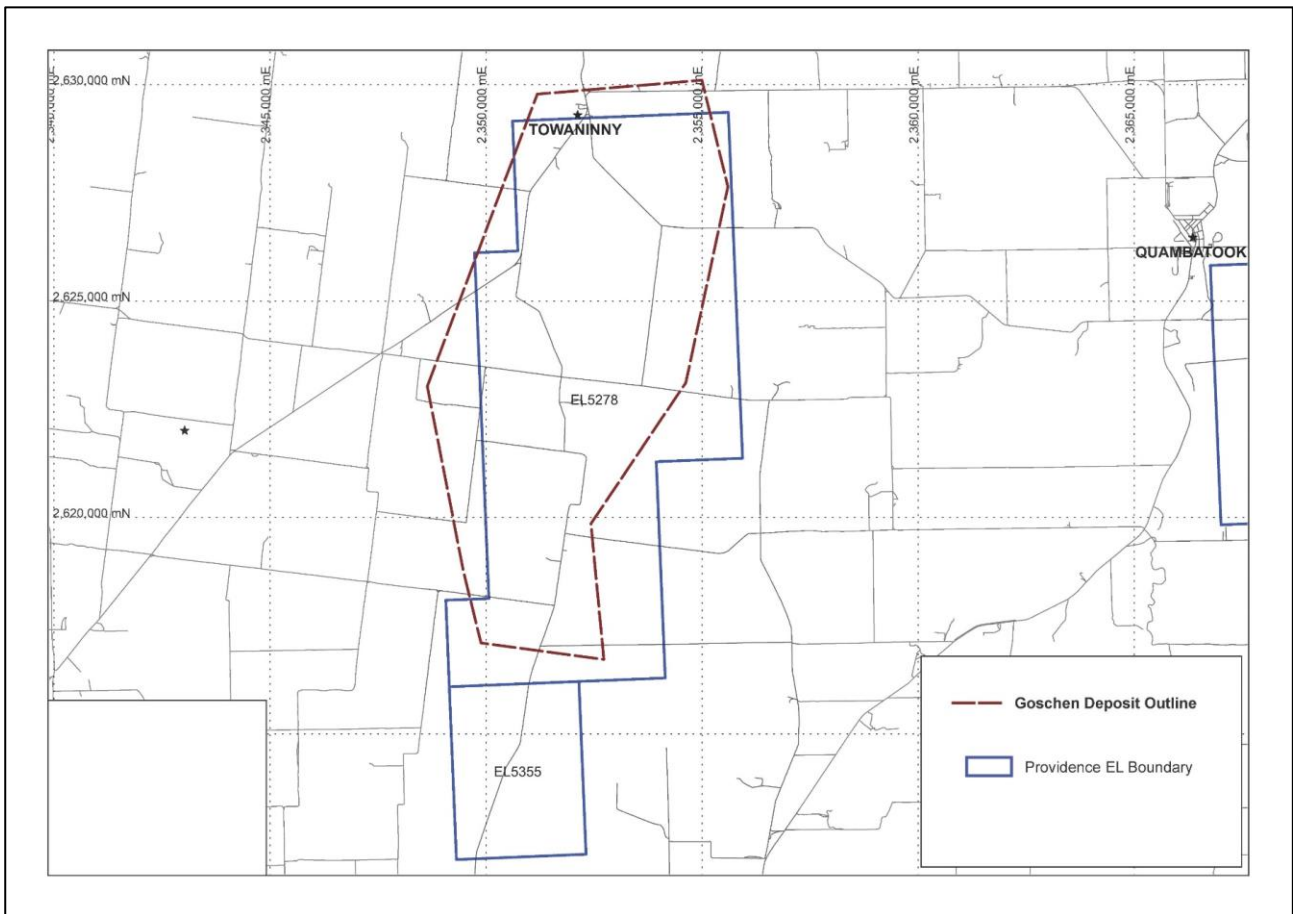
Probo Mining Ltd (Probo) reviewed an area similar to EL5278 in 2002. The location of the area reviewed by Probo and EL5278 are shown in Figure 5.2.

The average HM thickness was 5.5 m beneath an average overburden depth of 26 m. Zircon grades were estimated to be 20% to 27% with additional rare earth and titanium minerals complementing the mineral suite.

However, the depth of cover and projected overburden to ore ratio (5 to 1) resulted in it being less favourable as compared to other WIM-style deposits.

The metallurgical testwork provided some important confirmation of the mineral suite and indicates the potential for higher zircon content to the east and south (which remain open). The monazite and xenotime are well represented.

Figure 5.2 Location of EL5278 owned by Probo



Source: ACDC

5.4 JORC Code Table 1

Appendix B contains JORC Code Table 1 Sections 1 and 2 for the Goschen Central Project area.

5.5 Proposed Exploration

The proposed exploration and estimated costs are shown in Table 5.1.

Table 5.1 Proposed exploration and estimated costs – Goschen Central Project

Activity	Year 1 (A\$)	Year 2 (A\$)
Drilling	355,000	355,000
Metallurgical, Geophysical and Geological studies	40,000	110,000
Project Studies	245,000	300,000
Management	100,000	100,000
Total	740,000	865,000

The total programme has an estimated cost of approximately A\$1,755,000.

The Company plans to undertake a systematic exploration and definition programme at the Goschen Central Project. Commencing with geological and geophysical investigations in conjunction with drilling. The drilling will be undertaken at an appropriate drill density, to gain a fuller understanding of the mineral potential and the potential size and grade of resources, with an aim of defining a resource estimate that can be classified and reported according to the JORC Code, contingent on successful outcomes of the programme.

On completion of the drilling the Company will hold a much greater understanding of the grade distribution and mineral resources present. This shall enable large diameter drilling to be targeted at the most suitable and representative locations to provide the bulk samples required for both beneficiation and rare earth recovery pilot plant test work. The drill samples will also be used to determine the mineralogy and processing characteristics, and potential for development.

Samples collected as part of the drilling will be utilised for bench scale beneficiation test. A key aim of this test work will be to prepare a high-grade concentrate of mineral sand monazite which will then be used to test suitability as a feedstock to the Medallion Monazite Process to produce a rare earth product.

5.6 Exploration Prospectivity

The results of the previous drilling and assaying indicate the licence area contains HM with high grades of VHM and therefore warrants further exploration and drilling to confirm the extent of HM and VHM mineralisation within the licence area.

6 Watchem Mineral Sands Project

6.1 Local Geology

The Watchem Mineral Sands Project is a fine-grained, WIM-style mineral sands project located in a region being developed for this style of deposit by Iluka Resources Limited, Astron Corporation Limited and WIM Resource Pty Ltd.

6.2 Exploration

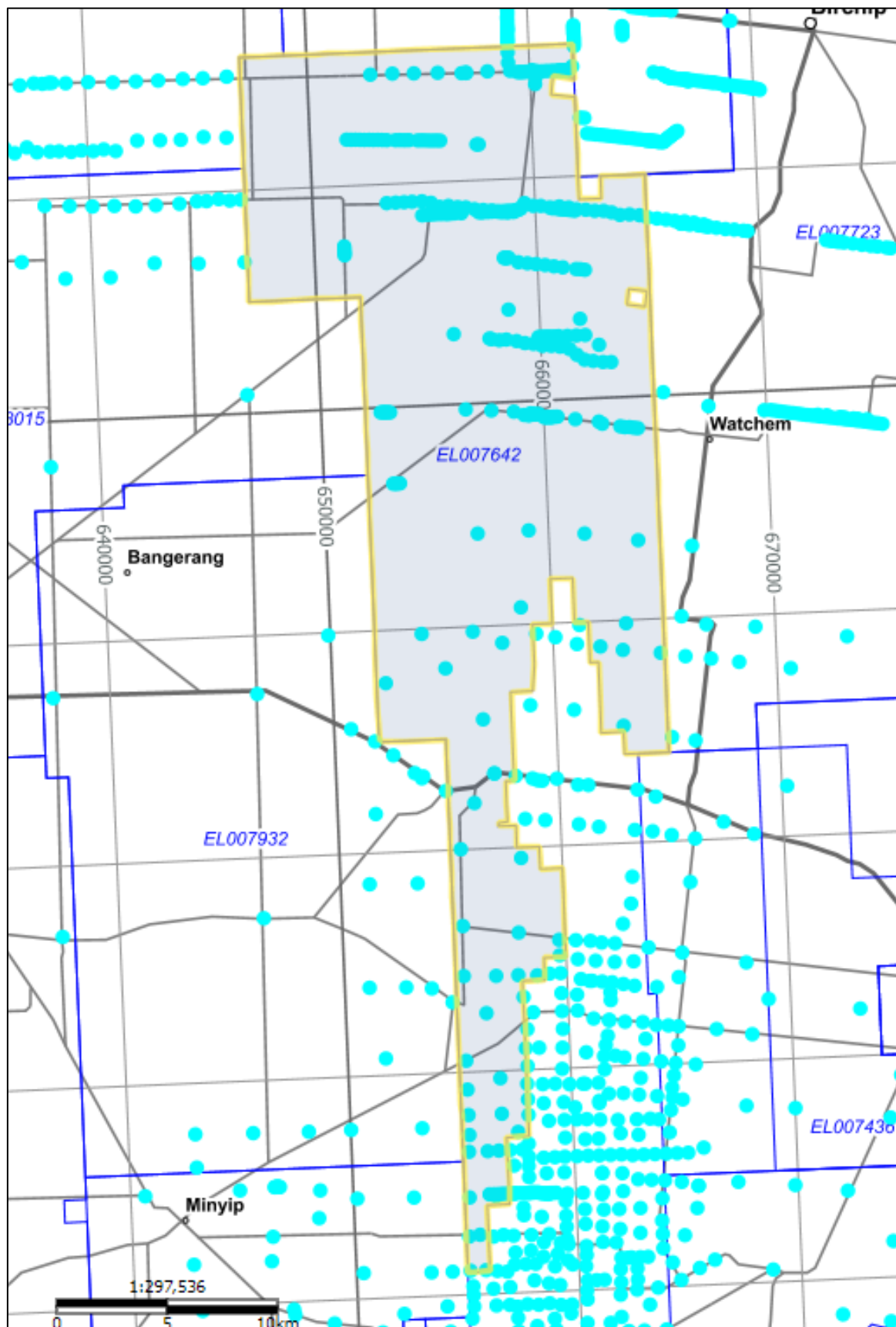
Previous work in the area was undertaken by CRAE in late 1980s and early 1990s when WIM-style deposits were considered attractive exploration targets within the Murray Basin. Drilling for early exploration work was widely spaced (1,000 m to 2,000 m) to effectively identify high-grade, coarse-grained (>90 µm) strands that often overly the deeper "offshore" style WIM-style deposits. CRAE carried out extensive exploration for HM in the area in 1998. Information obtained from the exploration include drillhole collar locations, hole depths, sampling and assay details for coarse and fine fractions, as well as gamma log indications of mineralisation.

CRAE visually estimated mineral sand grades before placing all samples from a particular visually estimated mineralised zone into one composite sample or several composite samples for testwork. Composite samples were re-weighed before all of the assays were plotted to show the percentage breakdown of the various sediment size fractions.

It is not considered that other substantive exploration data is available for the Watchem Mineral Sands Project outside of the CRAE work.

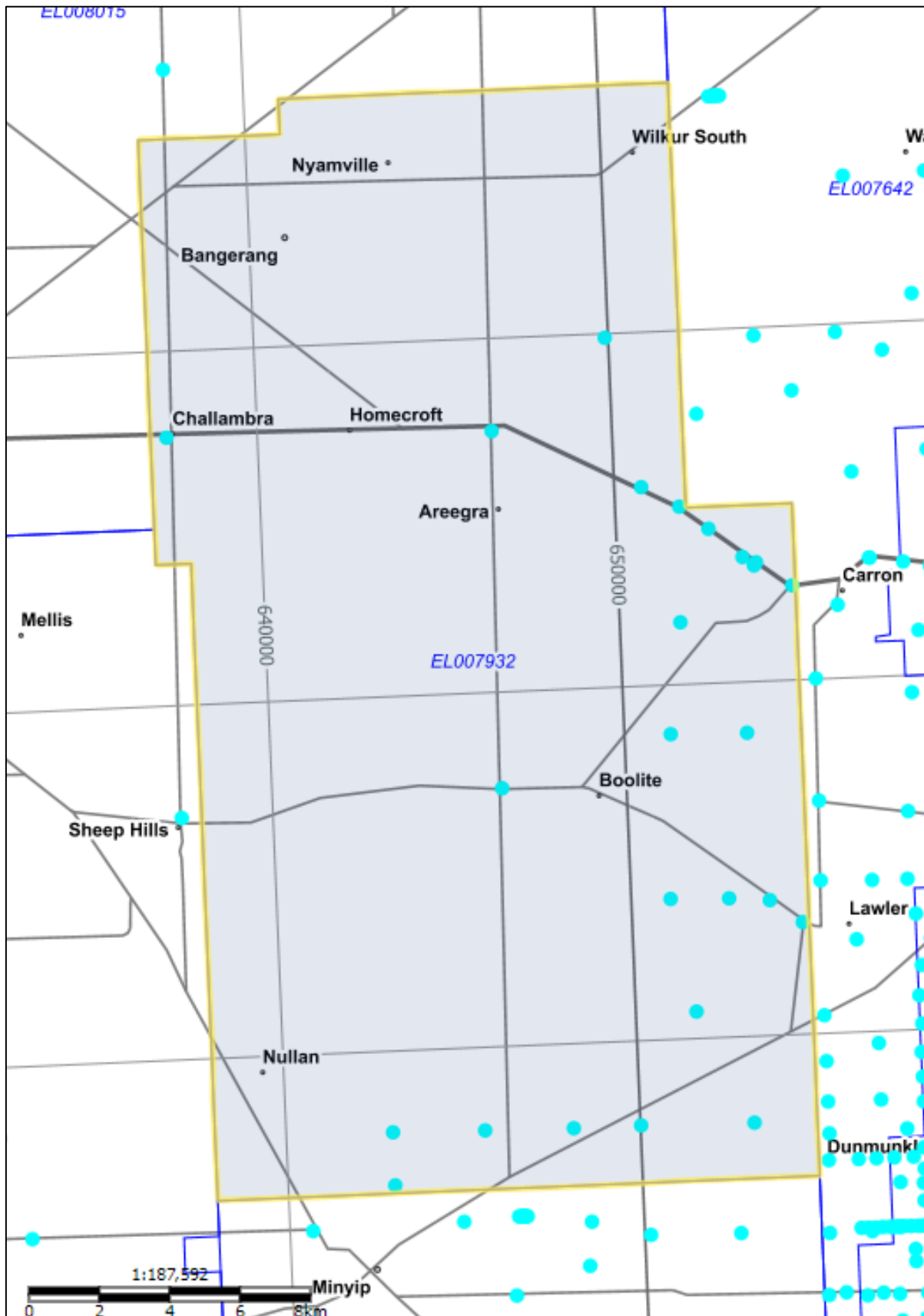
Figure 6.1 and Figure 6.2 show the location of the holes drilled for mineral sands.

Figure 6.1 Holes drilled for mineral sands EL7642



Source: Earth Resources Victoria

Figure 6.2 Holes drilled for mineral sands EL7932



Source: Earth Resources Victoria

6.3 Mineralisation

Based on historic drillholes by CRAE, the Watchem Mineral Sands Project has a number of widely-spaced, fine-grained heavy mineral sands intersection of 4% to 5% total heavy mineral (THM) with 17% to 20% zircon, 10% to 17% rutile, 25% to 35% ilmenite and 2.1 to 3.5% rare earth minerals (RE) monazite and xenotime.

6.4 JORC Code Table 1

Appendix C contains JORC Code Table 1 Sections 1 and 2 for the Watchem Mineral Sands Project area.

6.5 Proposed Exploration

The proposed exploration and estimated costs are shown in Table 6.1.

Table 6.1 Proposed exploration and estimated costs – Watchem Mineral Sands Project

Activity	Year 1 (A\$)	Year 2 (A\$)
Drilling	240,000	240,000
Metallurgical, Geophysical and Geological Studies	20,000	155,000
Project Studies	165,000	165,000
Management	100,000	100,000
Total	525,000	660,00

The total programme has an estimated cost of approximately A\$1,185,000.

Upon granting of the tenements the Company plans to undertake a systematic exploration and definition programme at the Watchem Project. Commencing with geological and geophysical investigations in conjunction with drilling. The drilling will be undertaken at an appropriate drill density, to gain a fuller understanding of the mineral potential and the potential size and grade of resources, with an aim of defining a resource estimate that can be classified and reported according to the JORC Code, contingent on successful outcomes of the programme.

6.6 Exploration Prospectivity

The results for the previous drilling and assaying indicate the licence area contains HM with high grades of VHM and therefore warrants further exploration and drilling to confirm the extent of HM and VHM mineralisation within the licence area.

7 Comments and opinions

The Assets are considered by AMC to be at an early exploration stage. Based on existing drilling and location of previous HM mines it is considered that further exploration work could result in an Exploration Targets or Mineral Resources, as defined by the JORC Code, being identified.

7.1 Douglas Project

It is reported that historic drilling and assaying have been carried out, and a previous mine for HM (Douglas Mineral Sands Mine) is located nearby. Strandlines containing HM have been defined indicating the Douglas Project has a high level of prospectivity.

Existing drilling has shown the mineralization is continuous along strike with the best grades and most valuable mineral suite occurring over a central 10 km zone of the strandline.

No historical estimates of tonnes and grade have been made for the Douglas Project area.

7.2 Goschen Central Project

Based on reports of the results of previous work carried out by a number of companies, the Goschen Central Project deposit is considered by AMC to have a high level of prospectivity. This is based on the mineralisation identified by previous drilling being open to the east and south, existing drilling is broad spaced and the Loxton Parilla Sands sequence being present.

7.3 Watchem Mineral Sands Project

Based on the results of previous drilling, mainly carried out by CRA, the Watchem Mineral Sands Project is considered by AMC to have a high level of prospectivity. This is based on previous drilling and its location north and west of the Donald Minerals Sands Deposit.

7.4 Proposed exploration

In AMC's opinion, the proposed exploration activity for the Douglas Project is reasonable given the known information and medium stage exploration nature of the Assets. The proposed budget for each activity is reasonable.

In AMC's opinion the proposed exploration activity for the Goschen Central Project is of a high standard given the known information and medium stage exploration nature of this area. The proposed budget for each activity is reasonable.

In AMC's opinion, the proposed exploration activity for the Watchem Mineral Sands Project is reasonable given the known information and early-stage exploration nature of this area. The proposed budget for each activity is reasonable.

In AMC's opinion, the proposed exploration and estimated costs totalling approximately A\$4.2 million as discussed in this IGR will be sufficient to cover the cost of the proposed exploration including drilling, assaying, mineralogy studies and Mineral Resource estimation.

8 JORC Code compliance statement

No Exploration Targets or Mineral Resources as defined in the JORC Code have been stated within this IGR.

The information in this IGR that relates to exploration is based on information supplied to Mr Rodney Webster. Mr Rodney Webster, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Webster is employed by AMC Consultants Pty Ltd has been engaged by ACDC under a services agreement, Mr Webster has no relationship with ACDC, or any employees or directors of ACDC. Mr Webster is not a shareholder of ACDC. Mr Webster has no beneficial interest in any of the claims or agreements related to the claims, the subject of this IGR. Mr Webster has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being or planned to be undertaken to qualify as a Competent Person as defined in the JORC Code. Mr Webster consents to the inclusion in this IGR of the matters based on his information in the form and context in which it appears.

Mr Webster as the Competent Person takes responsibility for Section 1 and Section 2 of the three JORC Code Table 1s included as appendices this IGR.

9 Site Visit

AMC has not conducted a site visit for the Assets considered in this IGR. AMC is of the opinion that a site visit would not likely reveal any new or additional information that is material to the assessment of the Assets. AMC has previously visited similar sites in the region and is familiar with the deposit type and geology.

10 Qualifications, information used, and other

10.1 Introduction

AMC is a firm of mineral industry consultants whose activities include the preparation of due diligence reports and reviews on mining and exploration projects for equity and debt funding and for public reports.

The contributors to this IGR are:

- **Rodney Webster** – AMC Principal Geologist BappSc (Applied Geology), Member of the Australian Institute of Mining and Metallurgy (MAusIMM), Member of Australian Institute of Geoscientists (MAIG). Mr Webster has over 40 years' experience in coal, base and precious metals, nickel, copper, uranium, and mineral sands. His experience covers all facets of general geology focusing on deposit evaluation from the initial drilling through deposit definition, Mineral Resource/Ore Reserve estimation and mine design. Mr Webster qualifies as a Specialist under the VALMIN Code and takes responsibility for this IGR.
- **Lawrie Gillett** - AMC Principal Mining Engineer and Practice Leader - Corporate, has peer reviewed this IGR in accordance with AMC's procedures. Lawrie has more than 40 years of experience in the mining industry. His primary expertise is in technical audits, due diligence reviews, public reports, technical inputs to mineral asset valuations, and technical expert witness roles. His broad experience includes open pit design, scheduling and management, underground and open pit operations, and Ore Reserve and mining costs estimation.

10.2 Effective date

This IGR and the opinions and conclusions presented in it are effective at the date of this IGR. Those opinions and conclusions might change in the future with changes in relevant commodity prices, exploration and other technical developments related to the Assets, and the market for mineral properties.

10.3 Information used

AMC's opinions expressed in this IGR are based on the information supplied by ACDC to AMC for the purposes of preparing this IGR. AMC has not audited the information supplied but has exercised all due care in reviewing that information. Whilst AMC has compared key data within the information supplied with what AMC considers to be reasonably expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the information supplied. AMC does not accept responsibility for any error in or omission from the information supplied and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

AMC's opinions presented in this IGR apply to the conditions and features of the Assets as they existed at the time of AMC's investigations and those reasonably foreseeable. Those opinions do not necessarily apply to the conditions and features that might arise after the date of this IGR about which AMC had no prior knowledge nor had the opportunity to evaluate.

In a letter relating to AMC's engagement, ACDC agreed to comply with those obligations of the commissioning entity under the VALMIN Code including that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information will be made.

ACDC has represented that, to the best of its knowledge, it has provided AMC with all material information relevant to the Assets referred to in this IGR.

ACDC has been provided with a draft of this IGR to enable correction of any factual error and notation of any material omission.

10.4 Consent

This IGR has been provided to ACDC for the purposes of inclusion of the IGR in the Prospectus. AMC has given its consent for this IGR to be included in the Prospectus and has not withdrawn that consent before its lodgement with the Australian Securities & Investments Commission. Neither this IGR nor any part of it may be used for any other purpose without written consent.

10.5 Indemnity

ACDC has provided AMC with indemnities regarding damages, losses and liabilities related to or arising out of AMC's engagement other than those arising from illegal acts, bad faith or negligence on its part or its reliance on unauthorized statements from third parties.

10.6 Signatory

The signatories to this IGR are corporate members of The AusIMM and are bound by its code of ethics.

RL Webster
BappSc (Applied Geology), MAusIMM, MAIG
AMC Principal Geologist



LJ Gillett
BEng (Mining), FAusIMM
AMC Principal Mining Engineer and Practice Leader - Corporate



11 References

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- Whitehouse et al. 1999 *Mineral Sands Occurrences in the Murray Basin, Southeastern Australia*

12 Glossary of Abbreviations

The following is a list of the abbreviations used:

- ACDC or Company – ACDC Metals Pty Ltd
- Assets - Douglas Project, the Goschen Central Project and the Watchem Mineral Sands Project.
- Fish Hawk – Fish Hawk Resource Pty Ltd
- CRAE- CRA Exploration Pty Ltd
- Iluka - Iluka Resources Pty Ltd
- Basin Minerals - Basin Minerals Holdings NL
- Probo - Probo Mining Ltd
- BQ - diamond drill core with diameter of 36.5 mm
- NQ - diamond drill core with diameter of 60.0 mm
- RCAC - reverse circulation air core
- RTK- Real time kinematic down hole survey
- DGPS – Differential Global Positioning System
- CP - Competent Person as defined by the JORC Code (2012)
- A\$ - Australian dollar
- Oro Plata - Oro Plata Pty Ltd
- Providence - Providence Gold and Minerals Pty Ltd
- RCAC - Reverse circulation air core drilling
- VHM – Valuable heavy minerals
- HM – Heavy minerals
- WIM – Wimmera Industrial Minerals

Appendix A

Douglas Project - JORC Code Table 1

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> There are two separate tenement and target areas within the Douglas Project, these being the Acapulco and Chetwynd tenements. Exploration sampling included Aircore and RC drilling. Sampling was undertaken to industry standards at the time with these reported in the various Basin Minerals Limited (Basin Minerals) and Iluka Ltd (Iluka) reports from the late 1990's to the mid 2000's. Material exploration is documented in the body of the report. <p><i>Acapulco</i></p> <ul style="list-style-type: none"> Past drilling at Acapulco has been mostly along road verges with some in-paddock drilling. A majority of the project is located on private land, with some crown land (state forest) and a very small area abutting a nature conservation reserve. At Acapulco, Basin Minerals completed all drill programmes from 1998 to 2001. A total of 314 drill holes were completed for 10,872 m. Iluka completed all drilling in 2004 and 2005. A total of 99 drill holes were completed for 3290.5 m. Sampling was conducted at 1.5m intervals through the non-prospective units then at 1m intervals through the prospective Loxton-Parilla Sands. <p><i>Chetwynd</i></p> <ul style="list-style-type: none"> Past drilling at Chetwynd has been mostly along road verges within a state forest with minor in-paddock drilling. A majority of the project is located on crown land (state forest) and lesser areas in private land. Drilling conducted in the Chetwynd region was performed in 1999 and 2000 by Basin Minerals. Reverse circulation BQ aircore drilling using contractor Westralian Diamond Drillers Pty Ltd was used to test these strandline targets and comprised some 6 holes for 126 m of drilling. Iluka conducted two drilling programmes on the public access roads of during late 2006 and early 2007 to confirm the presence and consistency of mineralization as drilled and reported by Basin Minerals. A total of 27 holes for 613 m were drilled for the two drilling

Criteria	JORC Code explanation	Commentary
		<p><i>campaigns.</i></p> <ul style="list-style-type: none"> <i>The drillholes were laterally spaced at 40 m to 50 m with samples taken at 1 m intervals. The entire drillhole was submitted for assay.</i> <i>The second drilling programme was conducted in March 2007 and was designed to test the Chetwynd mineralized zone and the Chetwynd West mineralized zone. A total of ten drill holes were twins of existing Basin Minerals drill holes, whilst an additional eight exploration drill holes were conducted. A total of nine drillholes for 172 m were drilled.</i>
Drilling techniques	<ul style="list-style-type: none"> <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i> 	<ul style="list-style-type: none"> <i>Several large programmes of Aircore and RC drilling was undertaken in the late 1990's to mid 2000's these are documented in historical Basin Minerals and Iluka reports.</i> <p>Acapulco</p> <ul style="list-style-type: none"> <i>At Acapulco, Basin Minerals completed all drill programmes from 1998 to 2001. A total of 314 drill holes were completed for 10,872 m.</i> <i>The Basin Minerals drilling was carried out using a reverse circulation air core (RCAC) drill rig. Drilling details, such as rod size and drill company, were not recorded at the time of drilling. All drill holes were located using RTK-DGPS.</i> <i>Iluka completed all drilling in 2004 and 2005 using a Wallis Drilling Pty Ltd owned and operated RCAC drill rig or an Iluka owned and operated RCAC drill rig. Drilling was completed using NQ (76mm) sized drill rods.</i> <p>Chetwynd</p> <ul style="list-style-type: none"> <i>Drilling conducted on the Chetwynd region was performed in 1999 and 2000 by Basin Minerals. Reverse circulation BQ aircore drilling using contractor Westralian Diamond Drillers Pty Ltd was used to test these strandline targets and comprised some 6 holes for 126 m of drilling.</i> <i>No drilling details are available for the second drilling programme conducted in March 2007</i>
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> 	<ul style="list-style-type: none"> <i>Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time however methods of assessing recovery were poorly reported.</i>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	
Logging	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • <i>Exploration detailed in this report is mostly historical in nature and followed industry standard practice at the time. It is assumed that all holes were geologically logged with that information contained in the various Basin Minerals and Iluka reports.</i> • <i>At Acapulco, Basin Minerals completed all drill programmes from 1998 to 2001. Logging involved using wet panning to remove the clay fraction from the sample and then hydraulic separation to estimate the percentage of heavy mineral.</i>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • <i>Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports.</i> • <i>At Acapulco, Basin Minerals completed all drill programmes from 1998 to 2001.</i> • <i>Sampling was conducted at 1.5 m intervals with 1 kg to 2 kg splits taken by rotary splitter for logging and laboratory analysis. A subsample was taken from each sample for logging and panning. Logging involved using wet panning to remove the clay fraction from the sample and then hydraulic separation to estimate the percentage of heavy mineral.</i> • <i>Iluka completed all drilling in 2004 and 2005. A 1 kg to 2 kg split was taken by rotary splitter for logging and laboratory analysis. A subsample was taken from each sample for logging and panning.</i> • <i>During the 2001 drilling, field duplicates were collected and submitted for assay at a rate of one duplicate for every 20 samples assayed. This equated to 308 duplicate samples taken.</i> • <i>No standard or twinned holes were completed during Basin Minerals' drilling.</i> • <i>During the 2004 and 2005 drilling, field duplicates were collected and submitted for assay at a rate of one duplicate for every 13 samples taken. This equated to 148 duplicate samples taken.</i> • <i>No standard or twinned holes were completed during Iluka's drilling.</i>
Quality of assay data and	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> 	<ul style="list-style-type: none"> • <i>Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports.</i>

Criteria	JORC Code explanation	Commentary
laboratory tests	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken following typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports. At Acapulco, no standard or twinned holes were completed. At Chetwynd the second drilling programme was conducted in March 2007 and was designed to test the Chetwynd mineralized zone and the Chetwynd West mineralized zone. A total of ten drill holes were twins of existing Basin Minerals drill holes, whilst an additional eight exploration drill holes were conducted
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken following typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports. Basin Minerals completed all drill programmes from 1998 to 2001. A total of 314 drill holes were completed for 10,872 m. The Basin Minerals drilling was carried out using an RCAC drill rig. Drilling details, such as rod size and drill company, were not recorded at the time of drilling. All drill holes were located using RTK-DGPS.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports.
Orientation of data in relation to	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports.

Criteria	JORC Code explanation	Commentary
geological structure	<i>of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • <i>Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various Basin Minerals and Iluka reports.</i>
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • <i>Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various Basin Mineral and Iluka reports.</i>

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • <i>The tenements and land status are detailed in the body of the report.</i>
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • <i>Historical exploration was undertaken by Sons of Gwalia in the late 1990's and early 2000's by Basin Minerals and Iluka.</i>
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • <i>The Acapulco and Chetwynd deposits are typical strandline deposits that form along the southern margin of the Murray Basin as part of a 120 km arcuate trend of WIM-style</i>
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> 	<ul style="list-style-type: none"> • <i>All drillholes have been undertaken by previous explorers and is contained within their reports.</i>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All historical results included in the body of the report and are extracted from historical Basin Minerals and Iluka reports.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> Strand lines form tabular bodies with some internal variability and all drilling has been vertical, therefore all drill widths should approximate true thickness.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Diagrams in the body of the report detail the previous exploration activities.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> All exploration data and drill holes are reported. They are all of an historical nature.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> There is no other substantive exploration data available.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, 	<ul style="list-style-type: none"> As outlined in the body of the report additional exploration is planned.

Criteria	JORC Code explanation	Commentary
	<i>provided this information is not commercially sensitive.</i>	

Section 3 Estimation and Reporting of Mineral Resources

Not applicable as no Mineral Resources have been reported

Appendix B

Goschen Central Project – JORC Code Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>CRAE</p> <ul style="list-style-type: none"> Exploration sampling comprised mostly aircore drilling. Sampling was undertaken to industry standards at the time with it being reported in the various CRAE annual reports during the 1980's. Providence Gold and Minerals Pty. Ltd. (Providence) Aircore drilling – samples were collected at 1 metre intervals, with hand panning used to determine which one metre intervals would be sub- sampled into approximately 2 kgs of dry sample and placed into a calico bag. Samples became "mixed" in drill cyclone prior to the panning, but no further mixing was conducted. Drill collar sites were mostly along roadside verges. Calico bag samples were remitted to ALS Laboratories for industry standard assaying.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> CRAE –aircore Providence – aircore – USB 600 equivalent, vertical, approx. 40mm throat
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time however, methods of assessing recovery were poorly reported.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> Exploration detailed in this report is mostly historical in nature and at industry standard at the time. It is assumed that all holes were geologically logged with that information contained in the various

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>CRAE and Providence reports.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE and Providence reports. • CRAE completed its drill programs during the 1980s. • Sampling by CRAE is understood to be conducted at 1m intervals with 1kg to 2kg splits taken for logging and laboratory analysis. A sub-sample was taken from each sample for logging and panning. Logging involved using wet panning to remove the clay fraction from the sample and then hydraulic separation to estimate the percentage of heavy mineral. • No field duplicates were collected. • No standard or twinned holes were completed. • Hand grab samples of approximately 2 kg in weight from the 1m interval were placed into calico bags.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and it would be likely that the CRAE work was undertaken at typical industry standards for that time. Details are contained in the various CRAE and Providence reports. • Providence assaying was conducted by industry approved laboratories using standard assay and reporting methods. Quality Control was only conducted at the laboratory using its own methods.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE and Providence reports. • No verification was conducted • No twinned drill holes were done • Providence data compiled on to simple geological log sheets • No adjustments have been made

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE and PROVIDENCE reports. • CRAE used standard survey at the time (pre hand held GPS). It marked each collar position with a steel star picket, with an aluminium tag with survey coordinates. Most of these pickets remain in place. • Providence - hand held GPS
Data spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE and Providence reports.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE and Providence reports. • Due to the orientation drilling being vertical no sample bias would have occurred.
Sample security	<ul style="list-style-type: none"> • The measures taken to ensure sample security. 	<ul style="list-style-type: none"> • Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE and Providence reports. Providence - one person controlled. Samples left in shed for 2 years, unsecured.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> • None conducted

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and	<ul style="list-style-type: none"> • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint 	<ul style="list-style-type: none"> • EL5278 held by Providence, solely in its name. • EL allows exploration only,

Criteria	JORC Code explanation	Commentary
land tenure status	<p>ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</p> <ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Providence has been able to operate under this authority There are no third-party agreements EL5278 was renewed by the Department until 2025.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Initial exploration and discovery by CRAE in the 1980s. Minor drill programs conducted by current holder Providence.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The “Goschen Central” mineral sands deposit is described as a “WIM” style fine grained heavy mineral sands deposit, within the host Loxton-Parilla Sands unit, which unit is very widespread across the Murray Basin. The known mineralization is under some 20 to 25 metres of clay and sand overburden.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> All drillholes have been undertaken by previous explorers. The information is tabulated and appended to the report.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> All historical results are included in the body of the report and are extracted from historical CRAE and Providence reports.
Relationship between mineralisation	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole 	<ul style="list-style-type: none"> WIM-style deposits form tabular bodies with some internal variability and all drilling has been vertical, therefore all drill widths should

Criteria	JORC Code explanation	Commentary
<i>widths and intercept lengths</i>	<p><i>angle is known, its nature should be reported.</i></p> <ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<i>approximate true widths.</i>
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> <i>There are diagrams in the body of the report that detail the previous exploration activities.</i>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> <i>All exploration data and drill holes are reported. They are all of a historical nature.</i>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> <i>There is no other substantive exploration data available.</i>
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> <i>As outlined in the body of the report additional exploration is planned.</i>

Section 3 Estimation and Reporting of Mineral Resources

Not applicable as no Mineral Resources have been reported

Appendix C

Watchem Mineral Sands Project – JORC Code

Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>CRAE</p> <ul style="list-style-type: none"> Exploration sampling comprised mostly aircore drilling. Sampling was undertaken to industry standards at the time with these reported in the various CRAE annual reports during the 1980's.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> CRAE –aircore
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time however methods of assessing recovery were poorly reported.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> Exploration detailed in this report is mostly historical in nature and industry standard at the time. It is assumed that all holes were geologically logged with that information contained in the various

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	CRAE reports.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE reports. CRAE completed its drill programs during the 1980s. Sampling by CRAE is understood to be conducted at 1m intervals with 1kg to 2kg splits taken for logging and laboratory analysis. A subsample was taken from each sample for logging and panning. Logging involved using wet panning to remove the clay fraction from the sample and then hydraulic separation to estimate the percentage of heavy mineral. No field duplicates were collected. No standard or twinned holes were completed. Hand grab sampled from 1m interval into calico bag approx 2kg.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and it would be likely that the CRAE work was undertaken at typical industry standards for that time. Details are contained in the various CRAE reports.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE reports. No verification was conducted No twinned drill holes were done No adjustments have been made
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE reports.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> CRAE used standard survey at the time (pre hand held GPS). It marked each collar position with a steel star picket, with an aluminium tag with survey coordinates.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE reports.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE reports.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Previous exploration detailed in this report is mostly historical in nature and was undertaken at typical industry standards at the time. Details are contained in the various CRAE reports.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> None conducted

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> EL007642 and EL007932 are held by Fish Hawk Resources Pty Ltd (Fish Hawk) solely in its name The EL's are Applications and are progressing through the approval process to be granted. There are no third party agreements

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Initial exploration by CRAE in the 1980s.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The “Watchem” mineral sands prospect is described as a “WIM” style fine grained heavy mineral sands prospect, within the host Loxton-Parilla Sands unit, which unit is very widespread across the Murray Basin. The known mineralization is under some 15 to 25 metres of clay and sand overburden.
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> All drillholes have been undertaken by previous explorers. The information is tabulated and appended to the report.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Historical results of significance are included in the body of the report and are extracted from historical CRAE reports. Significant intercepts are calculated using downhole sample length weighted averages
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’). 	<ul style="list-style-type: none"> WIM-style deposits form tabular bodies with some internal variability and all drilling has been vertical, therefore all drill widths should approximate true widths.

Criteria	JORC Code explanation	Commentary
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • <i>There are diagrams in the body of the report that detail the previous exploration activities.</i>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • All exploration data and drill holes are reported. They are all of a historical nature.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • There is no other substantive exploration data available. Other exploration drilling programmes undertaken in the Watchem Prospect region were targeting shallow coarse grained strandline deposits, and as such, drilling did not penetrate to the fine grained horizon hosting the WIM-style deposits
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • As outlined in the body of the report additional exploration is planned.

Section 3 Estimation and Reporting of Mineral Resources

Not applicable as no Mineral Resources have been reported

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ANNEXURE B

SOLICITOR'S REPORT ON TENEMENTS



9 November 2022

ACDC Metals Limited
Level 6
111 Collins Street
MELBOURNE VIC 3000

Dear Directors

SOLICITOR'S REPORT ON TENEMENTS

This Report has been prepared for inclusion in a prospectus to be lodged by ACDC Metals Limited (ACN 113 385 425) (**Company**) with the Australian Securities and Investments Commission in respect of the initial public offering of up to 40,000,000 fully paid ordinary shares in the capital of Company (**Shares**) at an issue price of \$0.20 per Share to raise up to \$8,000,000, together with one (1) free attaching option to acquire a Share (**Option**) for every two (2) Shares subscribed for and issued, exercisable at \$0.30 each, on or before the date that is three (3) years from the date of issue of the Options (**Offer**) (**Prospectus**).

1. BACKGROUND

In connection with the Prospectus, the Company has entered into the following agreements:

- (a) a binding heads of agreement with Providence Gold and Minerals Pty Ltd (ACN 004 881 789) (**Providence**) dated 17 June 2022, pursuant to which the Company, via its wholly owned subsidiary, ACDC Metals Operations Pty Ltd (ACN 651 911 787) (**ACDC Metals**), has agreed to acquire an initial 80% legal and beneficial interest in EL5278 (**Goschen Tenement**) and all associated technical information from Providence (**Goschen Agreement**);
- (b) a binding heads of agreement with Oro Plata Pty Ltd (ACN 127 800 391) (**Oro Plata**) dated 1 August 2022, pursuant to which the Company, via ACDC Metals, has agreed to acquire an initial 80% legal and beneficial interest in EL7544 and EL7545 (the **Douglas Tenements**) and all associated technical information from Oro Plata (**Douglas Agreement**); and
- (c) an agreement with the shareholders of Fish Hawk Resources Pty Ltd (ACN 604 942 403) (**Fish Hawk**) (**Fish Hawk Shareholders**) dated 14 September 2022, pursuant to which the Company, via ACDC Metals, has agreed to acquire an

100% legal and beneficial interest in the issued capital of Fish Hawk (**Fish Hawk Share Sale Agreement**),

(together, the **Acquisition Agreements**).

A summary of the material terms and conditions of each of the Acquisition Agreements is contained in Section 9.2 of the Prospectus.

2. SCOPE

We have been requested to report on the mining tenements the Company will acquire an interest in by virtue of the Acquisition Agreements (the **Tenements**).

The Tenements are located in Victoria, Australia. Details and further information in relation to the Tenements are set out in Part I of this Report and must be read in conjunction with this Report.

This Report is limited to the Searches (as defined below) set out in Section 2 of this Report.

3. SEARCHES

For the purposes of this Report, we have conducted searches and made enquiries in respect of the Tenements as follows (**Searches**):

- (a) we have obtained mining tenement searches from the registers maintained by the Earth Resources branch (**Earth Resources**) of the Victorian Department of Jobs, Precincts and Regions (**DPR**) (**Tenement Searches**). The Tenement Searches were conducted on 14 June 2022 and updated on 18 October 2022. Key details regarding the status of the Tenements are set out in Part I of this Report;
- (b) we have obtained results of searches performed through the GeoVic program maintained by Earth Resources in relation to the Tenements. These searches were conducted on 4 October 2022 and updated on 26 October 2022;
- (c) we have obtained results of searches of the schedule of native title applications, register of native title claims, national native title register, register of indigenous land use agreements and national land use agreements as maintained by the National Native Title Tribunal (**NNTT**) for any native title claims (registered and unregistered), native title determinations and indigenous land use agreements (**ILUAs**) that overlap or apply to the Tenements. This material was obtained on 30 May 2022 and updated on 19 October 2022. Details of any native title claims (registered and unregistered), native title determinations and ILUAs are set out in Section 11 of this Report and Part II of this Report;
- (d) we have obtained and reviewed a copy of an Instrument of Variation of Licence Conditions pursuant to Section 34 of the Minerals Act dated 2 July 2012, 26 June 2014 and 18 September 2017; an Instrument of Partial Cancellation of Licence pursuant to Section 38A of the Minerals Act dated 2 July 2012, 20 June 2014 and 18 September 2017; and a copy of the Instrument of Renewal of the Exploration Licence pursuant to section 31 of the *Mineral Resources (Sustainable Development) Act 1990 (Vic)* (**Minerals Act**) in respect of the Goschen Tenement (being, EL5278) dated 26 October 2015 and 22 January 2021;
- (e) we have obtained results of searches from the online Aboriginal Heritage Register (**Register**) maintained by the Office of Aboriginal Affairs Victoria for

Aboriginal sites recorded in the Register that overlap the Tenements. This material was obtained on 28 September 2022. Details of the Aboriginal Heritage sites affecting the Tenements are set out in Part II of this Report; and

- (f) we have reviewed all material agreements relating to the Tenements provided to us or registered as dealings against the Tenements as at the date of the Tenement Searches and have summarised the material terms of such agreements (details of which are set out in Section 9.2 of the Prospectus),

(together, the **Searches**).

4. **OPINION**

As a result of the Searches and enquiries, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) the Company's interest in the Tenements;
- (b) the validity and good standing of the Tenements; and
- (c) third party interests, including encumbrances and dealings, in relation to the Tenements.

5. **EXECUTIVE SUMMARY**

Subject to the qualifications and assumptions in this Report, we consider the following to be material issues in relation to the Tenements:

(a) **Company's Interest**

The Company currently does not have a registered interest in the Tenements.

The Company, through its wholly owned subsidiary, ACDC Metals, has a right to acquire an interest in the Tenements as follows:

- (i) subject to the satisfaction of certain conditions precedent, an initial 80% legal and beneficial interest in the Goschen Tenement (being, EL5278) pursuant to the Goschen Agreement;
- (ii) subject to the satisfaction of certain conditions precedent, an initial 80% legal and beneficial interest in the Douglas Tenements (being, EL7544 and EL7545) pursuant to the Douglas Agreement; and
- (iii) subject to the satisfaction of certain conditions precedent, 100% of the Fish Hawk Tenements (being, ELA7642 and ELA7932) pursuant to the Fish Hawk Share Sale Agreement.

A summary of the material terms of Acquisition Agreements are set out in Section 9.2 of the Prospectus.

(b) **Application not yet granted**

Pursuant to *Mineral Resources (Sustainable Development) Act 1990 (VIC) (Minerals Act)*, it is not possible to transfer legal title to tenement applications. The Fish Hawk Tenements (being, ELA7642 and ELA7932) are currently applications for exploration licences.

Further, as ELA7642 and ELA7932 are applications and have not yet been granted, the grant of the Fish Hawk Tenements is not guaranteed, and the applications will need to satisfy the Future Act Provisions to be valid under the *Native Title Act 1993 (Cth)* (**NTA**).

Upon completion of the Fish Hawk Share Sale Agreement, the Fish Hawk Tenements will be owned by the Company (as a result of Fish Hawk being a wholly owned subsidiary of the Company). In the event that the Fish Hawk Tenements are not granted within a period of 12 months of payment of the consideration by the Company under the Fish Hawk Share Sale Agreement, the Company may buy-back and cancel the consideration which has been issued to the Fish Hawk Shareholders (or their nominees) and require the repayment of any amounts paid to Fish Hawk.

(c) **Third party interests**

A royalty is payable by ACDC Metals over minerals produced from the Tenements pursuant to the Goschen Agreement, the Douglas Agreement and the Fish Hawk Share Sale Agreement.

A summary of the material terms of the Acquisition Agreements, including the terms of the royalty are set out in Section 9.2 of the Prospectus.

(d) **Bonds**

One rehabilitation bond of \$10,000 has been lodged against the Goschen Tenement (being, EL5278).

(e) **Native Title**

Tenements EL7544 and ELA7642 are within the external boundaries of one Native Title determination and Tenements EL5278, EL7544 and ELA7642 are within areas of registered ILUAs as specified in Part II of this Report.

(f) **Aboriginal Heritage**

The Tenements contain registered Aboriginal Heritage areas and areas of Aboriginal cultural sensitivity. The presence of these areas could potentially prevent exploration and/or mining activities from taking place within certain parts of the Tenements. Details of the Aboriginal Heritage sites affecting the Tenements are set out in Part II of this Report.

6. DESCRIPTION OF THE TENEMENTS

6.1 Legislative Regime

The Tenements comprise of three (3) exploration licences granted under the Minerals Act and two (2) exploration licence applications. The Tenement Schedule in Part I of this Report provides a list of the Tenements.

The Minerals Act establishes a legislative regime in relation to the exploration for and extraction of minerals including the compliance obligations of a tenement holder.

Under the Minerals Act, the holder of an exploration licence is authorised to:

- (a) conduct geological, geophysical and geochemical surveys;

- (b) conduct drilling;
- (c) take samples for the purposes of chemical or other analysis;
- (d) extract minerals from the land, other than for the purpose of producing them commercially; and
- (e) do all other things specified in the licence.

6.2 Exploration Licence

(a) Rights

An exploration licence authorises the holder to carry out exploration on the land covered by the licence. It entitles the holder to conduct geological, geochemical and geophysical surveys, conduct drilling, take samples for chemical and other analysis, extract minerals from the land (other than to produce them commercially) and do all other things that are specified in the licence.

(b) Term and Renewal

An exploration licence is current for the time specified in the licence unless surrendered, cancelled earlier or as otherwise providing in the Minerals Act.

An exploration licence may be granted for a term of up to five (5) years from the date on which it is registered. An exploration licence can be renewed twice, each for a period of up to five years (which takes effect on the anniversary of the registration of the licence). The renewal or, if the renewal is refused, the refusal to renew, has no effect until the instrument of renewal or refusal to renew is registered.

The Minister may renew an exploration licence for a first term of up to five years if the Minister is satisfied that the licensee has identified minerals in the land and that additional time is required to assess the economic viability of a resources, or the resources is not presently economically viable but may become so in the future, or for any other reason.

The Minister may only renew the licence for a second term if the Minister considers there are exceptional circumstances to warrant the second renewal and is satisfied that there is a likelihood of the licensee identifying minerals in the land covered by the licence during the period for which the licence may be renewed.

The Minister may renew an exploration licence subject to any conditions specified in the renewal and grant a renewal for a smaller area than as stipulated in the application for renewal.

(c) Area

The area of land in respect of which an exploration licence may be granted must be contained in a single licence area and must not exceed 500 lots of 1000 metre interval blocks, based on the Australian Geodatic Datum 1966, as shown on the National Topographic Map Series published by the National Mapping Council (**Graticular Sections**), unless the Minister decides otherwise.

(d) Relinquishment

Under the Minerals Act, the area of an exploration licence must be reduced by 25% on the second anniversary date of grant of the exploration licence (**Date of Grant**) and by at least a further 35%, 20% and 10% on the fourth, seventh and tenth anniversaries (respectively) of the initial registration of the exploration licence respectively, subject to the discretion of the Minister.

The reduced areas can be identified by the licensee if enough notice is provided to the Minister but are otherwise chosen by the Minister. In some circumstances, the Minister may decide that there is no requirement to relinquish part of the licensed area.

In determining the area to be cancelled, if the licensee holds two or more exploration licences, the combined areas covered by the licences may be treated as a single area (at the Minister's discretion).

(e) **Application**

A person may lodge an application for an exploration licence in accordance with the Minerals Act and the Minister determines whether to grant the application. An application for an exploration licence cannot be legally transferred and continues in the name of the applicant.

(f) **Transfer**

An exploration licence must not be transferred during the first year of the term. After the first year, an exploration licence may be transferred by an instrument approved by the Minister.

The Minister must only approve an application to transfer an exploration licence if the transferee and licensee meet certain criteria.

An application for an exploration licence is not transferrable.

(g) **Conditions**

Exploration licences are granted subject to various standard conditions, including conditions relating to minimum expenditure, the payment of prescribed rent and royalties (as mentioned below) and observance of environmental protection and reporting requirements. A failure to comply with these conditions or any other conditions associated with an exploration licence may lead to forfeiture of the exploration licence. These standard conditions are detailed in Part I of this Report.

(h) **Rent**

It is a condition of an exploration licence that the licensee pays rent from the date of registration of the grant of the licence, in accordance with the rate or method of assessment and at the times prescribed.

Rent is required to be paid every six months from the date of registration of the licence, for period ended 30 June and 31 December each year and is payable within 28 days of the specified date. The prescribed rate of rent for an exploration licence held at 30 June in a year is 6.9 fee units per 10 graticules or part thereof of land covered by the licence as at 30 June of that year. A failure to pay rent may result in licence cancellation processes being implemented.

(i) **Application for mining licence**

The holder of an exploration licence may apply for a mining licence over any of the land that is the subject of the exploration licence.

(j) **Retention Licence**

The holder of an exploration licence can apply for a retention licence. Where an application is made for a retention licence and the exploration licence expires before determination of the application, the exploration licence will continue in effect until such determination.

(k) **Requirements to be met before work undertaken**

The holder of an exploration licence must comply with a set of requirements under section 43 of the Minerals Act prior to commencing work on the land, including:

- (i) establishing an approved work plan;
- (ii) entering into a rehabilitation bond;
- (iii) obtaining all necessary consents;
- (iv) obtaining insurance;
- (v) complying with any condition to provide an environmental offset;
- (vi) obtaining consent of private landholders or entering into landholder compensation agreements;
- (vii) complying with all other conditions of the exploration licence; and
- (viii) complying with any requirements under the *Planning and Environment Act 1987 (Vic)*.

(l) **Royalty**

The *Mineral Resources (Sustainable Development) (Mineral Industries) Regulations 2019 (Vic)* (**Regulations**) levy a royalty at a rate of 2.75% of the net market value of mineral commodities sold or removed from a mine, which is payable to the Victorian state government.

7. RENEWAL OF THE TENEMENTS

7.1 Renewal term

The holder of an exploration licence may, before the licence expires, apply in accordance with the Regulations to the Minister for a renewal of the licence. Where the application for renewal is lodged before the expiration date of the exploration licence, the licence continues in operation until the application is granted and registered or refused.

The Minister may renew the exploration licence for an initial period of up to 5 years. The licence may be renewed for a second period of up to 5 years at the Minister's discretion, where they are satisfied that there is a likelihood of the licensee identifying minerals during the period of renewal.

7.2 Renewal of the Tenements

Our Searches have shown that the term of the Goschen Tenement (being, EL5278) commenced on 25 June 2010 and was renewed on 26 October 2015 for a further period of 5 years. The licence was renewed again on 22 January 2021 and will expire on 24 June 2025. No further renewals of the Goschen Tenement are permitted.

8. RENT

8.1 Rent requirement

The holder of an exploration licence must pay rent from the date of registration of the grant of the licence. Rent must be paid within 28 days of 30 June each year, or if the Minister has extended the period for a year, within the extended period. The prescribed rate of rent for an exploration licence held at 30 June in a year is 6.9 fee units per 10 graticules or part thereof of the land covered by the licence as at 30 June of that year. The Regulations prescribe a fee unit to be \$15.29 for the financial year commencing 1 July 2022. The current rent payable per 10 graticules of an exploration licence for 2022/2023 is \$105.50.

8.2 Rent paid in respect of the Tenement

Before approving the transfer of a licence, the Minister must be satisfied that the existing licensee has paid all outstanding rents, or the proposed transferee has agreed to pay these amounts. The Searches did not identify any outstanding rent payable in relation to the Tenement.

9. WORK PLANS

9.1 Requirement

Unless the holder of an exploration licence proposes to carry out low impact exploration work only, a work plan must be lodged with the Victorian Department of State Development, Business and Innovation (**Department**). A work plan must:

- (a) be appropriate in relation to the nature and scale of the work proposed to be carried out;
- (b) identify the risks that the work may pose to the environment, to a member of the public, or to land, property or infrastructure;
- (c) specify what the licensee will do to eliminate or minimise those risks; and
- (d) contain any other matters required by the Regulations.

A work plan must be approved, with or without conditions or changes.

9.2 Tenement work plans

A work plan for the Goschen Tenement (being, EL5278) was required to be supplied to the Department and was registered and approved by the Department on 28 April 2011 and registered on 2 May 2011. We understand the work plan details shallow air core drilling on Road and Road Reserves and private land, however we have not reviewed the workplan for the purposes of this Report.

We are not aware of any other work plans having been registered with the Department in respect of the Tenements.

10. ABORIGINAL HERITAGE

We have undertaken searches to ascertain if any Aboriginal sites or objects have been registered in the vicinity of the Tenements.

There are areas of Aboriginal heritage and Aboriginal cultural sensitivity, which contain artefact scatter and other features, located within the boundaries of the Tenements.

The Company must ensure that it does not breach the Commonwealth and applicable State legislation relating to Aboriginal heritage. Any interference with an Aboriginal site of cultural or heritage significance must be in strict conformity with the provisions of the relevant legislation. It may also be necessary for the Company to enter into separate arrangements, including applying for a cultural heritage permit, with the traditional owners of the sites or the Secretary of the Department of Premier and Cabinet.

10.1 Commonwealth Legislation

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects, which have the potential to halt exploration activities. Compensation is payable by the Minister for Aboriginal Affairs to a person who is, or is likely to be, affected by a permanent declaration of preservation.

It is an offence to contravene a declaration made under the Commonwealth Heritage Act.

10.2 Victorian Legislation

Victorian tenements are granted subject to a condition requiring observance of the *Aboriginal Heritage Act 2006* (Vic) (**Heritage Act**).

The Heritage Act makes it an offence to do an act which harms Aboriginal culture or heritage. The Minerals Act states that land in respect of which an ongoing protection declaration is in force under the Heritage Act is exempted from being subject to a licence or other authority.

The Secretary of the Department of Premier and Cabinet's consent is required where any use of the land is likely to result in harm to Aboriginal cultural heritage.

In Victoria there is no obligation under the Heritage Act to register sites or objects. Accordingly, the Register maintained under the Heritage Act may not be an accurate reflection of discovered sites. Additionally, if the nominated area of land contains other registered Aboriginal places that fall within areas of Aboriginal cultural heritage sensitivity, there may be other Aboriginal places within the area that have not yet been recorded or registered.

11. NATIVE TITLE

11.1 General

The law of Australia recognises the existence of native title rights held by indigenous Australians over their traditional lands¹. Native title exists where an indigenous group has maintained a continuous traditional connection with the land, and those rights have not been extinguished.

Native title may be extinguished:

- (a) in whole by the grant of an interest in land conferring “exclusive possession” such as a freehold interest in the land; or
- (b) in part by the grant of an interest conferring “non-exclusive possession” including the grant of pastoral leases and mining leases, or the creation of certain reserves. In this case, the native title will co-exist with the other rights to the land.

The *Native Title Act 1993 (Cth)* (**NTA**):

- (a) provides a process for indigenous people to claim native title rights² and compensation³;
- (b) confirms the validity of past actions (including grants of land tenure) by the Commonwealth and State governments⁴; and
- (c) specifies the procedures which must be complied with to ensure that acts that may affect native title rights (such as the grant or renewal of a mining tenement) are valid.

Native title rights arising under the NTA are recognised in Victoria under the *Traditional Owner Settlement Act 2010 (Vic)* (**TOS Act**). In return for entering into an out-of-court settlement of native title, traditional owners must agree to withdraw any native title claim, pursuant to the *Native Title Act 1993 (Cth)* and not to make any future native title claims.

11.2 Native title claim process

Persons claiming to hold native title may lodge an application for determination of native title with the Federal Court. The application is then referred to the NNTT to assess whether the claim meets the registration requirements in the NTA, and if so, the native title claim will be entered on the register of native title claims maintained by the NNTT.

Native title claimants have certain procedural rights, including the rights to negotiation and compensation, in relation to the grant of mining tenements if their native title claim is registered at the time the State issues a notice of the proposed grant of the mining tenement (**Section 29 Notice**), or if their claim becomes registered within 4 months after the Section 29 Notice.

¹ *Mabo v Queensland (No 2)* (1992) 175 CLR 1

² Parts 3 and 4 of the NTA

³ Part 3, Division 5 of the NTA

⁴ Part 2, Division 2 of the NTA

Once a claim is registered, a claimant must prove its claim in the Federal Court in order to have native title determined and the claim entered on the National Native Title Register.

11.3 Grant of tenements and compliance with the NTA

The grant of any mining tenement after 23 December 1996 must comply with the applicable NTA procedures in order to be valid. The exception to this is where native title has never existed over the land covered by the tenement, or has been extinguished prior to the grant of the tenement.

The absence of a claim does not necessarily indicate that there is no native title over an area, as native title claims could be made in the future.

Unless it is clear that native title does not exist (such as where the land the subject of a tenement application is freehold land), the usual practice of the State is to comply with the NTA when granting a tenement. This ensures the grant will be valid if a court subsequently determines that native title rights exist over the land subject to the tenement.

The procedural requirements in the NTA relating to the grant of a mining tenement (referred to as the "**Future Act**" procedures) include three alternatives:

- (a) the right to negotiate, which is the primary Future Act procedure prescribed by the NTA;
- (b) the expedited procedure, which may be used in relation to the grant of exploration and prospecting licences; and
- (c) an indigenous land use agreement.

The Future Act procedures are summarised below.

11.4 Right to negotiate

The primary Future Act procedure prescribed by the NTA is the "right to negotiate".

The right to negotiate involves a negotiation between the registered native title claimants, the tenement applicant and the State government, the aim of which is to agree the terms on which the tenement may be granted.

The applicant for the tenement is usually liable for any compensation that the parties agree to pay to the native title claimants. The parties may also agree on conditions that will apply to activities carried out on the tenement.

The initial negotiation period is 6 months from the date on which the State issues a Section 29 Notice.

If the parties cannot reach an agreement within the initial 6 month period, any party may refer the matter to arbitration before the NNTT, which then has 6 months to determine whether the tenement can be granted and if so, on what conditions.

11.5 Expedited procedure

Where the grant of a tenement is unlikely to directly interfere with community or social activities or areas or sites of particular significance, or involve major disturbance to land

or waters, the NTA permits the State to follow an expedited procedure for the grant of a tenement.

The State applies the expedited procedure to the grant of exploration and prospecting tenements.

Registered native title parties can lodge an objection to the use of the expedited procedure within the period of 4 months following the issue of the Section 29 Notice by the State (**Objection Period**).

If no objections are lodged or if the objections are withdrawn, the State may grant the tenement at the expiry of the Objection Period without undertaking a negotiation process.

If an objection is lodged, the NNTT must determine whether the grant of the tenement is an act attracting the expedited procedure. If the NNTT determines the expedited procedure does not apply, the parties must follow the right to negotiate procedure or enter into an indigenous land use agreement. If an agreement is not reached within 6 months from the notification day, any party may refer the matter to the NNTT for determination by arbitration.

11.6 Indigenous land use agreement

The right to negotiate and expedited procedures do not have to be followed if an indigenous land use agreement (**ILUA**) has been registered with the NNTT.

An ILUA is a voluntary contractual arrangement negotiated with all registered native title claimants for a relevant area. The State and the applicant for the tenement are usually the other parties to the ILUA.

An ILUA must set out the terms on which the relevant mining tenement may be granted. An ILUA will also specify conditions on which activities may be carried out within the tenement. The applicant for a tenement is usually liable for any compensation that the parties agree to pay to the registered native title claimants in return for the grant of the tenement being approved. These obligations pass to a transferee of the tenement.

Once an ILUA is agreed and registered, it binds the whole native title claimant group and all holders of native title in the area (including future claimants), even though they may not be parties to it.

The TOS Act also establishes a land use activity regime (Part 4) which is an alternative to the future acts regime of the NTA and results in a land use activity agreement (**LUAA**). It provides procedural rights for recognised traditional owner groups over certain activities that occur on public land (as defined in section 3 of the TOS Act). A LUAA must be accompanied by an ILUA which provides for the 'contracting out' of NTA processes.

11.7 Renewals

Renewals of mining tenements made after 23 December 1996 must comply with the Future Act provisions in order to be valid under the NTA, except where:

- (a) the area to which the mining tenement applies is not extended;
- (b) the term of the renewed mining tenement is not longer than the term of the earlier mining tenement;
- (c) the rights to be created do not include a right of exclusive possession; or

- (d) the rights to be created are not greater than the rights conferred by the earlier mining tenement.

11.8 Registered Native Title Claims and Determinations

Our searches indicate that the Tenements EL7544 and ELA7642 are within the external boundaries of one Native Title determination as specified in Part II of this Report.

11.9 Indigenous land use agreements affecting the Tenements

Our searches indicate that Tenements EL5278, EL7544 and ELA7642 are within the external boundaries of registered ILUAs as specified in Part II of this Report.

11.10 Validity of Tenements under the NTA

Our searches indicate that the Tenements were not granted before 1 January 1994 nor granted after 1 January 1994 and before 23 December 1996.

Our searches indicate that the Tenements were granted after 23 December 1996 as follows:

Tenements	Date of Grant
EL5278	25/06/2010
EL7544	17/03/2022
EL7545	17/03/2022

We have assumed that the Tenements were granted in accordance with the Future Act Provisions and as such is valid under the NTA.

12. LAND ACCESS

12.1 Private land

The holder of an exploration licence must not carry out any work on land covered by the licence that is private land unless the licensee has obtained the written consent of the owners and occupiers of the land or made and registered compensation agreements with those owners and occupiers.

The Searches did not identify any private land compensation agreements or consents given in relation to the Tenements.

12.2 Crown land

Consent is not required where the underlying land is unrestricted Crown land, subject to any conditions imposed on the licence. However, the Minerals Act requires that the holder of an exploration licence who proposes to do work under the licence on restricted Crown land must obtain the consent of the Crown land Minister. Restricted Crown land is land that is listed in Schedule 3 of the Minerals Act. This includes land that has been accepted by the Government under Part 3 of the Victorian Environmental Assessment Council (VEAC).

Land that is classified as 'restricted' Crown land includes land reserved under the *Crown Land (Reserves) Act 1978 (Vic)*, for purposes such as:

- (a) regional, coastal, marine parks;

- (b) wildlife reserves, wildlife areas, flora or flora and fauna reserves;
- (c) general reserves (including bushland reserves, scenic reserves, cave reserves, geological reserves, coast reserves or natural features); and
- (d) national heritage parks.

The Consent of the Crown land manager is required prior to undertaking any work on the area of a mining tenement which overlaps restricted Crown Land.

Conditions related to monitoring and auditing, may also be set as part of the consent requirements for work on restricted Crown land. These conditions often require pre-work surveys for cultural sites and artefacts, pre and post-work flora and fauna surveys, and in some cases, during-work observations for significant flora and fauna.

Our searches identify that certain parts of Tenements EL7544, EL7545, EL5278, ELA7642 and ELA7932, as shown in Part IV of this report, overlap Crown land and Crown land which is restricted pursuant to Schedule 3 of the Minerals Act. We note that, however, none of these restricted Crown land overlaps are substantial. Our searches further identify that certain area of Tenements EL7544, EL7545, EL5278 and ELA7932 are identified as VEAC recommendation areas.

Unavailable Crown land is land that is not available for exploration, mining and searched under the Minerals Act and includes:

- (a) land that is a reference area under the *Reference Areas Act 1978*;
- (b) land that is national park, wilderness park, state park marine national park or a marine sanctuary under the *National Parks Act 1975*; and
- (c) land in respect of which an ongoing protection declaration is in force under the *Aboriginal Heritage Act 2006*.

Our searches have shown that no areas of unavailable Crown land have been identified.

12.3 Other affected interests

Consent may also be required from other bodies prior to the commencement of work under an exploration licence, including from the relevant authority under the *Water Act 1989* (Vic) (**Water Authority**) where the land is owned by, vested in or managed or controlled by the Water Authority. The licence holder must also notify the Department or relevant body within 21 days of the proposed work where the land that is the subject of the licence relates to a highway, road or street.

Our Searches have identified areas of land the subject of the Tenements EL5278, ELA7642 and ELA7932 are owned by, vested in or managed or controlled by the Water Authority. As such, further consents may be required to access the land the subject of Tenements EL5278, ELA7642 and ELA7932.

Our Searches have also identified that road and road reserves overlap the area of each of the Tenements. As such, further consents may be required to access the land the subject of Tenements.

13. OTHER INTERESTS AND AGREEMENTS – MINING REGISTER

A mining register is established under Part 6 of the Minerals Act, where the Department Head under the Minerals Act must register licences and related documents.

The registrations in relation to the Tenements are listed in Part III of this Report.

14. ENVIRONMENTAL ISSUES

14.1 Approval

As noted in section 9 above, it is a requirement under the Minerals Act that a licensee who proposes to do work under the licence submit a work plan with the Department. If a work plan or variation to a work plan for mining work proposed to be done under a mining licence is received by the Department, the Department must give a copy of the work plan or variation to the Environment Protection Authority (**EPA**) under the *Environment Protection Act 2017 (Vic)* within 28 days of receipt of the work plan or variation. The EPA may object to the endorsement of the work plan or variation, following which the Department will decide within 28 days of the objection to endorse or refuse to endorse the work plan or variation.

Where a work plan is submitted, the tenement holder is required to provide detail in relation to the rehabilitation of the licence area. If the Minister is of the opinion that the proposed exploration work under a work plan, or an application to vary an approved work plan, will have a material impact on the environment, the licensee may also be required to submit a statement assessing the proposed work on the environment. The Minister must provide a copy of this statement to the Minister administering the *Planning and Environment Act 1987 (Vic)* and request their comments.

14.2 Rehabilitation Bonds

Under the Minerals Act, the Minister may impose a condition on an exploration licence that a rehabilitation bond be entered into.

One rehabilitation bond of \$10,000 has been lodged against the Goschen Tenement (being, EL5278). Refer to Part III of this Report for further details.

15. QUALIFICATIONS AND ASSUMPTIONS

This Report is subject to the following qualifications and assumptions:

- (a) we have assumed the accuracy and completeness of all tenement searches, register extracts and other information or responses which were obtained from the relevant department or authority including the NNNT;
- (b) we assume that the registered holders of the Tenements have valid legal title to the Tenements;
- (c) this Report does not cover any third party interests, including encumbrances, in relation to the Tenements that are not apparent from the Searches and the information provided to us;
- (d) we have assumed that any agreements provided to us in relation to the Tenements are authentic, were within the powers and capacity of those who executed them, were duly authorised, executed and delivered and are binding on the parties to them;

- (e) with respect to the granting of the Tenements, we have assumed that the State and the applicant for the Tenements have complied with, or will comply with, the applicable Future Act Provisions;
- (f) we have assumed the accuracy and completeness of any instructions or information which we have received from the Company or any of its officers, agents and representatives;
- (g) unless apparent from the Searches or the information provided to us, we have assumed compliance with the requirements necessary to maintain the Tenements in good standing;
- (h) references in Parts I, II and IV of this Report to any area of land are taken from details shown on searches obtained from the relevant department. It is not possible to verify the accuracy of those areas without conducting a survey;
- (i) the information in Parts I, II and IV of this Report is accurate as at the date the relevant Searches were obtained. We cannot comment on whether any changes have occurred in respect of the Tenements between the date of the Searches and the date of this Report;
- (j) where Ministerial consent is required in relation to the transfer of any Tenements, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any matter which would cause consent to be refused;
- (k) we have not conducted searches of the Priority Sites Register maintained by the Victorian EPA;
- (l) native title may exist in the areas covered by the Tenements. Whilst we have conducted Searches to ascertain that native title claims and determinations, if any, have been lodged in the Federal Court in relation to the areas covered by the Tenements, we have not conducted any research on the likely existence or non-existence of native title rights and interests in respect of those areas. Further, the NTA contains no sunset provisions and it is possible that native title claims could be made in the future; and
- (m) Aboriginal heritage sites or objects (as defined in the Heritage Act or under the Commonwealth Heritage Act) may exist in the areas covered by the Tenements regardless of whether or not that site has been entered on the Register of Aboriginal sites established by the Heritage Act or is the subject of a declaration under the Commonwealth Heritage Act. We have not conducted any legal, historical, anthropological or ethnographic research regarding the existence or likely existence of any such Aboriginal heritage sites or objects within the area of the Tenements.

16. CONSENT

This report is given solely for the benefit of the Company and the directors of the Company in connection with the issue of the Prospectus and is not to be relied on or disclosed to any other person or used for any other purpose or quoted or referred to in any public document or filed with any government body or other person without our prior written consent.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Steiner Paganin". The signature is fluid and cursive, with the first name "Steiner" and the last name "Paganin" clearly distinguishable.

STEINER PAGANIN

PART I – TENEMENT SCHEDULE

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (GRS)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES/ DEALINGS	BONDS	OVERLAPS	NOTES	NATIVE TITLE CLAIMS / DETERMINATIONS/ ILUAs	ABORIGINAL HERITAGE SITES
EL5278 (Goschen)	Providence Gold & Minerals Pty Ltd	100	Licence First Grant Date – 25/06/2010 Licence Last Grant Date – 25/06/2020	24/06/2025	67.00	The current rent payable on EL5278 for 2022/2023 is \$798.54. There is no rent outstanding on EL5278.	\$82,000 per year	-	\$10,000 in 2011	Various small portions of 'Restricted Crown Land' under MRSDA Slight overlap of Petroleum – Restricted Crown Land (PA 139) and Petroleum – Water Authority Land (PA S140) Slight overlap of Reserve and VEAC Recommendation Area See Part IV	Tenement Renewal Conditions: Refer to notes 3-11 of Table 2 below Tenement General Conditions: Refer to notes 1-2, 5-54	See Part II	See Part II
EL7544 (Douglas)	Oro Plata Pty Ltd	100	Licence First Grant Date – 17/03/2022	16/03/2027	167.00	The current rent payable on EL5278 for 2022/2023 is \$1939.32. There is no rent outstanding on EL7544.	Year 1 - \$27,525 Year 2 - \$35,040 Year 3 - \$35,040 Year 4 - \$35,040 Year 5 - \$40,050	-	-	Various small portions of 'Restricted Crown Land' under MRSDA Overlap of VEAC Recommendation Area See Part IV	Tenement Conditions: Refer to notes 1-2 of Table 1 below Tenement General Conditions: Refer to notes 1 - 57	See Part II	See Part II
EL7545 (Douglas)	Oro Plata Pty Ltd	100	Licence First Grant Date – 17/03/2022	16/03/2027	136.00	The current rent payable on EL7545 for	Year 1 - \$25,200 Year 2 - \$31,320	-	-	Various small portions of 'Restricted	Tenement Conditions: Refer to notes	See Part II	See Part II

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (GRS)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES/ DEALINGS	BONDS	OVERLAPS	NOTES	NATIVE TITLE CLAIMS / DETERMINATIONS/ ILUAs	ABORIGINAL HERITAGE SITES
						2022/2023 is \$1,597.09. There is no rent outstanding on EL7545.	Year 3 - \$31,320 Year 4 - \$31,320 Year 5 - \$35,400			Crown Land' under MRSDA Overlap of Reserve and VEAC Recommendation Area See Part IV	1-9 of Table 1 below Tenement General Conditions: Refer to notes 1 - 57		
ELA7642 (Watchem)	Fish Hawk Resources Pty Ltd	100	Application Accepted Date – 29/06/2021	-	500.00	-	-	-	-	Various small portions of 'Restricted Crown Land' under MRSDA Slight overlap of Petroleum – Restricted Crown Land (PA 139) and Petroleum – Water Authority Land (PA S140) See Part IV	-	See Part II	See Part II
ELA7932 (Watchem)	Fish Hawk Resources Pty Ltd	100	Application Accepted Date – 28/03/2022	-	500.00	-	-	-	-	Various small portions of 'Restricted Crown Land' under MRSDA Slight overlap of Petroleum – Restricted Crown Land (PA 139) and Petroleum – Water Authority Land (PA S140)	-	See Part II	See Part II

TENEMENT	REGISTERED HOLDER / APPLICANT	SHARES HELD	GRANT DATE (APPLICATION DATE)	EXPIRY DATE	AREA SIZE (GRS)	ANNUAL RENT (NEXT RENTAL YEAR)	MINIMUM ANNUAL EXPENDITURE	ENCUMBRANCES/ DEALINGS	BONDS	OVERLAPS	NOTES	NATIVE TITLE CLAIMS / DETERMINATIONS/ ILUAs	ABORIGINAL HERITAGE SITES
										Slight overlap of VEAC Recommendation Area See Part IV			

Key to Tenement Schedule

EL – Exploration Licence

ELA – Exploration Licence Application

GRS – Graticular section

References to numbers in the "Notes" column refers to the notes following this table.

Unless otherwise indicated, capitalised terms have the same meaning given to them in the Prospectus.

Please refer to Part II of this Schedule for further details on native title and Aboriginal heritage matters.

Notes:

Tenement Conditions

Table 1 – Tenement Conditions

TENEMENT CONDITIONS	
1.	The licensee must expend in connection with exploration of the land a minimum of \$27,525 in the first year of the term of the licence, \$35,040 in the second year of the term of the licence, \$35,040 in the third year of the term of the licence, \$35,040 in the fourth year of the term of the licence, \$40,050 in the fifth year of the term of the licence, unless this requirement is varied, or application of this requirement is suspended for a specified period, in accordance with the Act. The required expenditure may be varied on the second and fourth anniversaries (as applicable) of the licence grant if the area of the licence is decreased in accordance with section 38A of the Act.
2.	The reporting date is 30 September annually.
3.	The licensee must expend in connection with exploration of the land a minimum of \$25,200 in the first year of the term of the licence, \$31,320 in the second year of the term of the licence, \$31,320 in the third year of the term of the licence, \$31,320 in the fourth year of the term of the licence, \$35,400 in the fifth year of the term of the licence, unless this requirement is varied, or application of this requirement is suspended for a specified period, in accordance with the Act. The required expenditure may be varied on the second and fourth anniversaries (as applicable) of the licence grant if the area of the licence is decreased in accordance with section 38A of the Act.

Table 2 – Tenement Renewal Conditions

TENEMENT CONDITIONS	
1.	The licensee must expend in connection with exploration of the land a minimum of \$82,000 per year, unless this requirement is varied, or application of this requirement is suspended for a specified period, in accordance with the Act.
2.	The reporting date is 30 June annually.
3.	Only low impact exploration work may be undertaken on the licensed area until the licensee has an approved work plan.
4.	Activities on the licensed area must be limited to those specified in the Act and the licence.
5.	The licence is renewed subject to the completion of the proposed activities as described in the renewal work program in order to prepare a mineralisation report prior to the expiry of the renewal term.
6.	The program of work may be varied with the agreement of the Minister. This does not apply if the variation only involves work which is additional to that described in the program of work.
7.	During the term of the licence, the Minister may request updated details of the proposed program of work to be provided by a specified date. The licence holder must comply with any such request.
8.	The licensee must report immediately in writing to the Department Head the discovery of minerals potentially capable of production in commercial quantities.
9.	The licensee must pay rent from the date of registration of the licence in accordance with the Mineral Resources (Sustainable Development) Act 1990.

Table 3 – Tenement General Conditions

TENEMENT GENERAL CONDITIONS	
1.	The licensee must ensure that the relevant Earth Resources Regulation (ERR) Regional Manager is at all times aware of the appropriate contact person for activities conducted under an exploration licence.
2.	Where work is approved by an area work plan, the licensee must submit a written work schedule for any program of work. The work schedule must be submitted to the relevant ERR Regional Manager and the Crown land Manager (for work on Crown land) at least twenty-one (21) days prior to the commencement of work. The licensee must comply with any request by the relevant ERR Regional Manager to defer, cease or modify the proposed works.
3.	Prior to commencing ground intrusive work or work involving the removal or damaging of native vegetation under the definition of low impact exploration the licensee must submit a rehabilitation bond to the satisfaction of the Minister.
4.	Where ground intrusive work or work involving the removal or damaging of native vegetation is carried out under the definition of low impact exploration the licensee must notify the Crown land manager (for works on Crown land) and the ERR Chief Inspector at least 7 days prior to the commencement of work. Notification must include start date, proposed ground intrusive work, proposed removal or damaging of native vegetation and location.
5.	The licensee must identify their communities for the proposed operation and consult with the identified communities.
6.	The licensee must take all reasonable measures to avoid, minimise and/or offset the removal and disturbance of native vegetation and faunal habitats.
7.	Where activities are proposed to be undertaken in a Box-Ironbark region, the licensee must undertake a preliminary assessment of vegetation and faunal habitats of areas of interest in that Box-Ironbark region to identify and mark areas or sites to be avoided in the exploration project.
8.	Prior to commencing any work, the licensee must have public liability insurance that covers all work authorised under the licence and ensure the insurance is valid at all times while work occurs under the licence.
9.	The licensee must take all reasonable measures to minimise their impact on the operation of a Public Safety Zone.
10.	The licensee must take all reasonable measures to minimise impacts on the physical and biological health of soil.
11.	The licensee must ensure that all soil that is imported into the exploration licence area is free of disease and noxious weeds.
12.	The licensee must take all reasonable measures to minimise the spread of weeds, pest animals and plant diseases whilst undertaking exploration activities.
13.	The licensee must adhere to any biosecurity protocols that have been adopted on private or Crown land.
14.	The licensee must design, install and maintain erosion and sediment controls to prevent erosion of areas of disturbed land and sedimentation of waterways.
15.	Where exploration activities are being conducted in waters or on the banks of waterways with water in them, the licensee must take all reasonable measures to minimise sedimentation of the waterway.
16.	The licensee must take all reasonable measures to prevent contaminated runoff from entering receiving waterways.
17.	The licensee must take all reasonable measures to prevent contamination of the environment by the release of fuels, lubricants and hazardous materials.
18.	The licensee must ensure that spills of hazardous materials are cleaned up as quickly as practicable. Such spillage must not be cleaned up by hosing, sweeping or otherwise releasing such contaminant into waterways.

TENEMENT GENERAL CONDITIONS	
19.	Within the Box-Ironbark region, the licensee must install trays or similar apparatus beneath machinery to protect the soil and vegetation from oil / fuel leaks or spills.
20.	The licensee must ensure Aboriginal cultural heritage is not harmed as a result of works undertaken within the licence area.
21.	Within areas where ground intrusive exploration works or the removal of native vegetation are proposed on Crown land in the Box-Ironbark region, an assessment of Aboriginal cultural heritage values must be undertaken.
22.	The licensee must ensure non-indigenous cultural heritage is not harmed as a result of works undertaken within the licence area.
23.	Within areas where ground intrusive exploration works or the removal of native vegetation are proposed on Crown land in the Box-Ironbark region, an assessment of non-indigenous cultural heritage values must be undertaken.
24.	The licensee must take all reasonable measures to prevent the ignition and spread of fire.
25.	Prior to undertaking any exploration activities, the licensee must develop and implement a fire response and readiness plan.
26.	The licensee must ensure all waste generated on site is disposed of at an appropriate waste management facility.
27.	The licensee may only establish campsites with the permission of the Crown land Manager or private landowner / occupier.
28.	The licensee must select, establish and manage campsites to minimise risks to the environment and / or the health and safety of people.
29.	Within the licensed area, the licensee must ensure that noise generated by exploration activities does not exceed limits set by the Environment Protection Authority, Victoria and the local council.
30.	The licensee must take all reasonable measures to avoid causing nuisance noise.
31.	The licensee must take all reasonable measures to prevent adverse impacts as a result of the release of dust, odour and / or emission of light.
32.	The licensee must take all reasonable measures to prevent the adverse impacts to livestock and crops.
33.	In designing and constructing geophysical and geochemical surveys, the licensee must take all reasonable measures to prevent adverse impacts to the environment and / or the health and safety of people.
34.	Prior to designing and construction geophysical and geochemical surveys, the licensee must consult with the Crown land Manager and / or private landowner / occupier about the position of gridlines and geophysical lines.
35.	When using explosives or high electrical currents, all reasonable measures must be taken to prevent harm or disturbance to people, domestic animals, livestock and wildlife.
36.	In designing and constructing tracks and roads, the licensee must take all reasonable measures to prevent adverse impact to the environment.
37.	Prior to designing and constructing tracks and roads, the licensee must consult with the public land manager, responsible road authority and / or private landowner / occupier.
38.	Prior to using a closed road the licensee must gain consent form the responsible road authority.
39.	Prior to conducting ground intrusive exploration works on a road the licensee must gain consent from the responsible road authority.

TENEMENT GENERAL CONDITIONS	
40.	The licensee must take all reasonable measures to prevent the adverse impacts of establishing costeans, drill holes, bulk sample excavations and trenches to the environment and / or the health and safety of people.
41.	The licensee must ensure that all reasonable measures are taken to minimise the impacts of drilling operations and that the operations are conducted in a manner that ensures protection of the environment, human health and amenity.
42.	The licensee must prevent contamination of aquifers as a result of drilling operations.
43.	The licensee must ensure that where a drillhole is to be left open overnight or longer, a temporary cap is fitted.
44.	The licensee must ensure that accurate records of decommissioning procedures are kept to provide future reference, and to demonstrate to the Department of Economic Development, Jobs, Transport and Resources that the drillholes have been satisfactorily plugged and abandoned.
45.	The licensee must ensure that during the underground exploration and development works, access shafts, adits and declines are made safe.
46.	The licensee must ensure that on completion of underground exploration and development works, access shafts, adits or declines no longer required are permanently closed off and the site made safe for the public and wildlife.
47.	The licensee must ensure that disturbed areas are rehabilitated as soon as possible after the completion of exploration works.
48.	The licensee must ensure that indigenous species used in rehabilitation are sourced from the local area of local provenance and appropriate to the site's Ecological Vegetation Class (EVC).
49.	The licensee must implement a program for monitoring environmental impacts and rehabilitation.
50.	The licensee must submit an annual report that includes: <ul style="list-style-type: none"> • A report about the environmental management of exploration activities including the results of any environmental audits conducted. • Quantity, area and type of native vegetation removed. • Details of current progressive rehabilitation activities. • A rehabilitation report detailing completed rehabilitation activities over that year.
51.	The licensee must notify the Department of Economic Development, Jobs, Transport and Resources as soon as practical of any environmental incident which results in: <ul style="list-style-type: none"> • Any emission not authorised by the licence, work authority or work plan. • Any deviations from conditions or environmental standards outlined for the site.
52.	Within seven (7) days of an environmental incident, the licensee must prepare and forward a report to the Department of Economic Development, Jobs, Transport and Resources detailing the following information: <ul style="list-style-type: none"> • The cause, time and duration of the incident. • The native vegetation or threatened flora / fauna affected by the incident (if applicable). • The type, volume and concentration of every pollutant discharged as a result of the incident. • Action taken by the licensee in relation to the incident. • Action taken to prevent any recurrence of the incident.

TENEMENT GENERAL CONDITIONS	
53.	The licensee must record activities undertaken and results arising from the environmental and rehabilitation monitoring program, any auditing undertaken and any complaints received.
54.	The licensee must ensure that documentation generated through the environmental and rehabilitation monitoring program, auditing and any complaints received is appropriately stored and accessible to relevant personnel and is available upon request by ERR inspector.
55.	The program of work submitted with the licence application must be completed, in accordance with any schedule included in that program of work.
56.	The program of work, including scheduling, may only be varied with the agreement of the Minister. This does not apply if the variation only involves work which is additional to that described in the program of work.
57.	During the term of the licence, the Minister may request updated details of the proposed program of work to be provided by a specified date. The licensee must comply with any such request.

PART II – NATIVE TITLE CLAIMS & ABORIGINAL HERITAGE

Native Title Determination

TENEMENT	TRIBUNAL NUMBER	FEDERAL COURT NUMBER	DETERMINATION NAME	DETERMINATION OUTCOME	DETERMINATION DATE AND DATE OF EFFECT
EL7544 ELA7642	VCD2005/001	VID6002/1998	Clarke on behalf of the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk Peoples v State of Victoria	Native title exists in parts of the determination area	13/12/2005

Native Title Application

TENEMENT	TRIBUNAL NUMBER	FEDERAL COURT NUMBER	APPLICATION NAME	REGISTRATION	REGISTRATION TEST DECISION	STATUS
EL5278	VC2021/001	VID14/2022	Gary John Murray & Ors on behalf of the Wamba Wemba Native Title Claim Group and State of Victoria (Wamba Wemba)	Not accepted for registration	24/04/2022	Active

ILUAs

EL7544 and ELA7642

The land under the Tenements EL7544 and ELA7642 are subject to an ILUA designated as Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk Area Agreement (**Area Agreement**) that was registered on 11 November 2005. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the parties are:

- (a) State of Victoria;
- (b) Barengi Gadjin Land Council Aboriginal Corporation;
- (c) Commonwealth of Australia; and

(d) William John Kennedy (Senior) and Kaylene Pamela Clarke (registered native title claimants).

The ILUA applies to approximately 35,859 km (sq) of land and is located in the Wimmera region of Victoria. The Agreement area extends from the South-Australia/Victoria border in the west, to Birchip in the east, the Mallee Highway in the north and to Ararat and the Wimmera Highway in the south.

The areas excluded from the ILUA area are all areas within the ILUA boundary that are claimed as part of Yupagalk Peoples Native Title Claim Group v State of Victoria (VID6004/2000) or part of Gournditch-Mara Peoples v State of Victoria & Ors (VID6004/98) native title determination applications as filed with the Federal Court of Australia on 11 November 2005.

The Company is not a party to the Area Agreement. Accordingly, there are currently no conditions precedent imposed on the Company prior to conducting any exploration activity on the land the subject of the ILUA, being the land under Tenements EL7544 and ELA7642..

EL5278

Low Impact Exploration and Exploration - Wamba Wamba, Barapa Barapa, & Wadi Wadi Peoples Area Agreement

The land under the Tenement EL5278 is subject to an ILUA designated as Low Impact Exploration and Exploration - Wamba Wamba, Barapa Barapa, & Wadi Wadi Peoples Area Agreement (**Low Impact Exploration Area Agreement**) that was registered on 5 May 2006. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the parties are:

- (a) Reginald Edwards, Jimealie Carter, Gary Murray and Howard Galway on behalf of the Wamba Wamba, Barapa Barapa, Wadi Wadi People; and
- (b) Minerals Council of Australia.

The ILUA area covers land and waters within the external boundary of the native title application V6005/00 Wamba Wamba, Barapa Barapa, Wadi Wadi Peoples (VC00/5), but excludes any Crown Land that is overlapped by any other current native title determination application made by another claim group (as defined in section 253 of the Native Title Act 1993) as at the time of registration of this ILUA. The ILUA Area also excludes the lands and waters of VG6001/95 Yorta Yorta Clans (VC94/1) as determined by the Federal Court on 18/12/1998.

The Company is not a party to the Low Impact Exploration Area Agreement. Accordingly, there are currently no conditions precedent imposed on the Company prior to conducting any exploration activity on the land the subject of the ILUA, being the land under Tenement EL5278.

NGMA Regional Mining/Exploration ILUA

The land under the Tenement EL5278 is subject to an ILUA designated as NGMA Regional Mining/Exploration ILUA (**NGMA Area Agreement**) that was registered on 21 July 2011. Due to standard confidentiality provisions, the terms and conditions of an ILUA are not available for public access, however an excerpt of an ILUA is obtainable. We have obtained the excerpt from the ILUA and confirm that the parties are:

- (a) Jimealie Carter, Gary Murray and Howard Galway on behalf of the Wamba Wamba, Barapa Barapa, Wadi Wadi Peoples native title claim group; and
- (b) The Natural Gypsum Mining Association of Victoria Inc.

The area subject to the NGMA Area Agreement covers about 11,110 square kilometres and lies in the Swan Hill region of North West Victoria and extends southwest of the Murray River to Birchip as shown on the locality diagram. The NGMA Area Agreement falls within the Local Government Authorities of Swan Hill Rural City, Gannawarra Shire, Buloke Shire, Loddon Shire and Campaspe Shire.

The Company is not a party to the NGMA Area Agreement. Accordingly, there are currently no conditions precedent imposed on the Company prior to conducting any exploration activity on the land the subject of the ILUA, being the land under Tenement EL5278.

HERITAGE AGREEMENTS

There are no cultural heritage agreements or Aboriginal cultural heritage land management agreements in relation to any part of the Tenement areas.

ABORIGINAL HERITAGE SCHEDULE

The following Aboriginal heritage sites exist on EL5278:

PLACE NUMBER	NAME	COMPONENT NUMBER	TYPE
7526-0108	DONALD-SWAN HILL RD 6	7526-0108-1	Scarred Tree
7526-0109	RUBY'S BRIDGE 1	7526-0109-1	Artefact Scatter
7526-0110	RUBY'S BRIDGE 2	7526-0110-1	Scarred Tree

The following Aboriginal heritage sites exist on EL7544:

PLACE NUMBER	NAME	COMPONENT NUMBER	TYPE
7224-0122	MIGA LAKE 5	7224-0122-1	Artefact Scatter
7224-0123	MIGA LAKE 6	7224-0123-	Artefact Scatter
7224-0124	MIGA LAKE 7	7224-0124-1	Scarred Tree
7224-0125	MIGA LAKE 8	7224-0125-1	Artefact Scatter
7224-0126	MIGA LAKE 9	7224-0126-1	Artefact Scatter
7224-0127	MIGA LAKE 10	7224-0127-1	Artefact Scatter
7224-0131	MIGA LAKE 11	7224-0131-1	Artefact Scatter
7224-0132	MIGA LAKE 12	7224-0132-1	Artefact Scatter
7224-0133	MYORA 1	7224-0133-1	Artefact Scatter
7224-0134	MYORA 2	7224-0134-1	Artefact Scatter
7224-0136	MIGA LAKE 13	7224-0136-1	Artefact Scatter

7224-0137	MIGA LAKE 14	7224-0137-1	Scarred Tree
7224-0138	MIGA LAKE 15	7224-0138-1	Artefact Scatter
7224-0139	MIGA LAKE 16	7224-0139-1	Scarred Tree
7224-0140	MIGA LAKE 17	7224-0140-1	Artefact Scatter
7224-0141	MIGA LAKE 18	7224-0141-1	Artefact Scatter
7224-0142	MIGA LAKE 19	7224-0142-1	Artefact Scatter
7224-0143	MIGA LAKE 20	7224-0143-1	Artefact Scatter
7224-0144	MIGA LAKE 21	7224-0144-1	Artefact Scatter
7224-0163	MIGA LAKE 1	7224-0163-1	Scarred Tree
7224-0164	MIGA LAKE 2	7224-0164-1	Artefact Scatter
7224-0165	MIGA LAKE 3	7224-0165-1	Artefact Scatter

The following Aboriginal heritage sites exist on EL7545:

PLACE NUMBER	NAME	COMPONENT NUMBER	TYPE
7123-0004	Chetwynd Scarred Tree	7123-0004-1	Scarred tree

The following Aboriginal heritage sites exist on EL7642:

PLACE NUMBER	NAME	COMPONENT NUMBER	TYPE
7425-0003	WATCHEM SWAMP	7425-0003-1	Artefact Scatter
7425-0005	SAMMYS SWAMP	7425-0005-1	Artefact Scatter
7425-0082	DUNMUNKLE EAST SITE 1 (S3-54)	7425-0082-1	Artefact Scatter
7425-0091	SOUTH BOUNDARY ROAD SITE 2 (S3-30)	7425-0091-1	Scarred Tree
7425-0092	SOUTH BOUNDARY ROAD SITE 3 (S3-31)	7425-0092-1	Scarred Tree

7425-0093	NUNNS ROAD SITE 1 (S3-32)	7425-0093-1	Scarred Tree
7425-0094	WATCHEM WARRACKNABEAL ROAD SITE 1 (S3-33)	7425-0094-1	Scarred Tree
7425-0095	WATCHEM WEST SITE 1 (S3-34)	7425-0095-1	Scarred Tree
7425-0100	VOGELS ROAD SITE 1 (S3-37)	7425-0100-1	Scarred Tree
7425-0101	VOGELS ROAD SITE 2 (S3-38)	7425-0101-1	Scarred Tree
7425-0123	SOUTH BOUNDARY ROAD SITE 1 (S3-29)	7425-0123-1	Artefact Scatter

The following Aboriginal heritage sites exist on EL7932:

PLACE NUMBER	NAME	COMPONENT NUMBER	TYPE
7425-0078	SHEEP HILLS SITE 1 (S3-49)	7425-0078-1	Artefact Scatter
7425-0079	DUNMUNKLE SITE 1 (S3 - 50)	7425-0079-1	Artefact Scatter
7425-0080	BOOLITE SITE 1 (S3-51)	7425-0080-1	Scarred Tree
7425-0081	BOOLITE SITE 2 (S3-52)	7425-0081-1	Scarred Tree
7425-0083	DUNMUNKLE SITE 2 (S3-53)	7425-0083-1	Artefact Scatter
7425-0096	SHULZ ROAD SITE 1 (S3-35)	7425-0096-1	Artefact Scatter
7425-0099	AREGRA SITE 1 (S3-36)	7425-0099-2	Scarred Tree
7425-0099	AREGRA SITE 1 (S3-36)	7425-0099-1	Scarred Tree
7425-0107	CARRON ROAD SITE 1 (TM-08)	7425-0107-1	Scarred Tree
7425-0108	DUNMUNKLE CREEK SITE 2 (TM-16)	7425-0108-1	Scarred Tree
7425-0109	DUNMUNKLE CREEK SITE 3 (TM-17)	7425-0109-1	Scarred Tree
7425-0167	DUNMUNKLE CREEK LDAD 1	7425-0167-1	Low Density Artefact Distribution
7425-0168	DUNMUNKLE CREEK ST 1 AND ST 2	7425-0168-1	Scarred Tree
7425-0168	DUNMUNKLE CREEK ST 1 AND ST 2	7425-0168-2	Scarred Tree

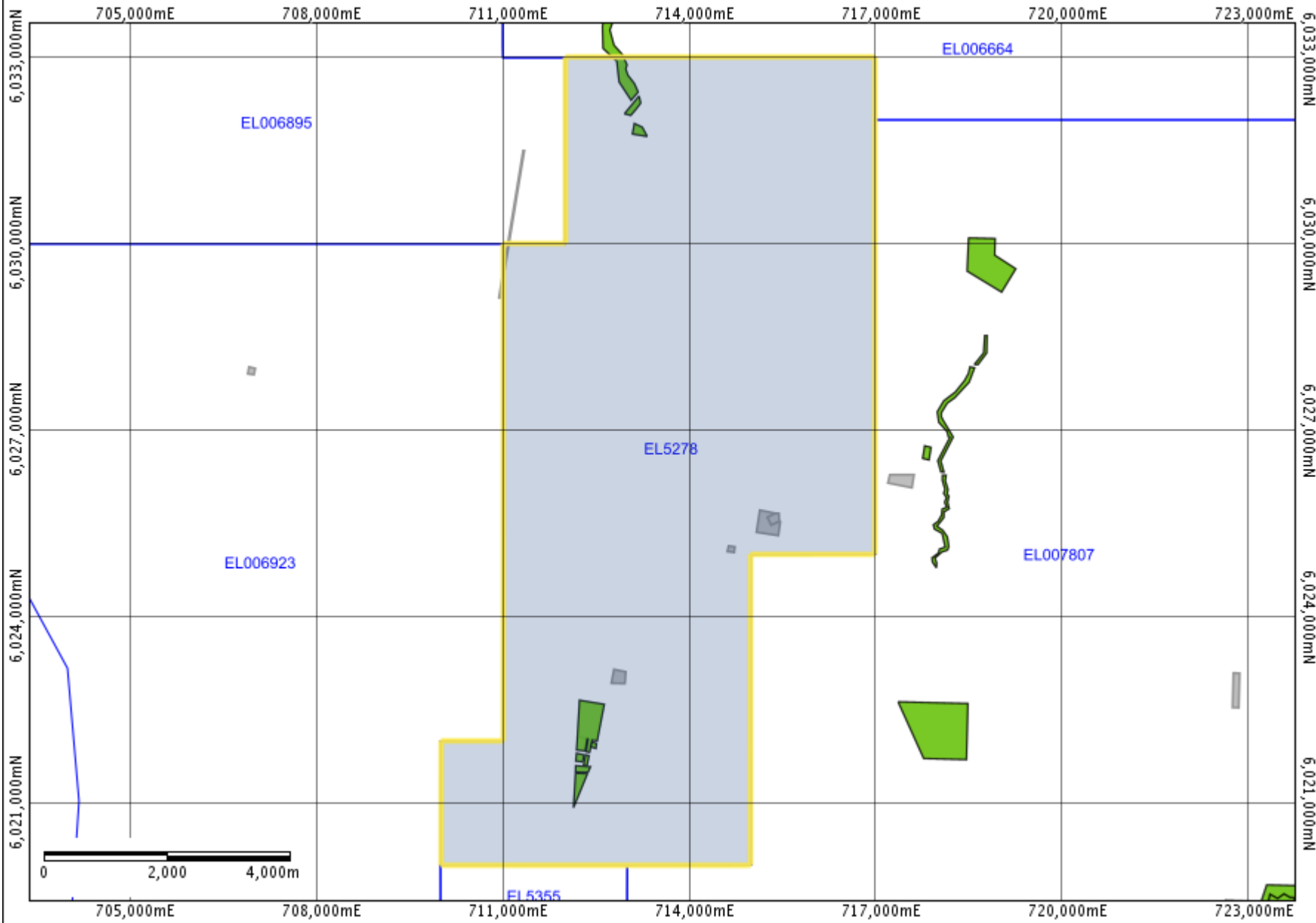
7425-0169	DUNMUNKLE CREEK ST 3	7425-0169-1	Scarred Tree
7425-0170	DUNMUNKLE CREEK ST 4	7425-0170-1	Scarred Tree
7425-0171	DUNMUNKLE CREEK ST 5	7425-0171-1	Scarred Tree
7425-0172	DUNMUNKLE CREEK ST 6	7425-0172-1	Scarred Tree
7425-0173	DUNMUNKLE CREEK ST 7	7425-0173-1	Scarred Tree
7425-0174	DUNMUNKLE CREEK ST 10	7425-0174-1	Scarred Tree
7425-0175	DUNMUNKLE CREEK ST 11	7425-0175-1	Scarred Tree
7425-0176	DUNMUNKLE CREEK ST 12	7425-0176-1	Scarred Tree
7425-0177	DUNMUNKLE CREEK ST 13	7425-0177-1	Scarred Tree
7425-0178	DUNMUNKLE CREEK ST 14	7425-0178-1	Scarred Tree
7425-0179	DUNMUNKLE CREEK ST 15	7425-0179-1	Scarred Tree
7425-0180	DUNMUNKLE CREEK ST 17	7425-0180-1	Scarred Tree
7425-0181	DUNMUNKLE CREEK ST 18	7425-0181-1	Scarred Tree
7425-0182	DUNMUNKLE CREEK ST 19	7425-0182-1	Scarred Tree
7425-0183	DUNMUNKLE CREEK ST 20	7425-0183-1	Scarred Tree
7425-0184	DUNMUNKLE CREEK ST 21	7425-0184-1	Scarred Tree
7425-0185	DUNMUNKLE CREEK ST 22	7425-0185-1	Scarred Tree
7425-0186	DUNMUNKLE CREEK ST 23	7425-0186-1	Scarred Tree
7425-0187	DUNMUNKLE CREEK ST 24	7425-0187-1	Scarred Tree
7425-0188	DUNMUNKLE CREEK ST 25	7425-0188-1	Scarred Tree
7425-0194	DUNMUNKLE CREEK ST 8 AND ST 9	7425-0194-1	Scarred Tree
7425-0194	DUNMUNKLE CREEK ST 8 AND ST 9	7425-0194-2	Scarred Tree
7425-0195	DUNMUNKLE CREEK ST 16	7425-0195-2	Object Collection
7425-0195	DUNMUNKLE CREEK ST 16	7425-0195-1	Scarred Tree

PART III – TENEMENT REGISTRATION

TENEMENT	REGISTRATION TYPE	DATE REGISTERED	DETAILS	COMMENT
EL7544 – Douglas Project				
EL7544	Grant of Title	17/03/22	Grant of EL7544 for a period of five years	
EL7544	Correction to Register	28/03/22	Update to the expenditure requirements under condition 1 on the Grant Instrument (F90014812)	
EL7545 – Douglas Project				
EL7545	Grant of Title	17/03/22	Grant of EL7545 for a period of five years	
EL5278 – Goschen Project				
EL5278	Grant of Title	25/06/10	Grant of EL5278 for a period of five years	
EL5278	Work Plan Approval	02/05/11	Nature of work as described in Work Plan dated 31 March 2011 detailing shallow air core drilling on Road and Road Reserves and private land	Work Plan not available to view on GeoVic
EL5278	Bond Lodgement	20/05/11	First bond amount of \$10,000 lodged and received 17 May 2011	
EL5278	Variations of Licence Conditions	02/07/12	Variation of licence condition 3 to EL5278 on expenditure to read: "The licensee must expend in connection with exploration of the land a minimum of: \$37,080 in the third of the term of the licence, \$37,080 in the fourth year of the term of the licence, \$42,600 in the fifth year of the term of the licence, unless this requirement is varied under the Act or the application of this requirement is suspended for a specified period. The required expenditure may be varied on the fourth anniversary of the licence grant if the area of	

TENEMENT	REGISTRATION TYPE	DATE REGISTERED	DETAILS	COMMENT
			the licence is decreased in accordance with section 38A of the Act."	
EL5278	Partial Cancellation	02/07/12	Partial cancellation of EL5278 (s 38A relinquishment) from 245 graticular sections to 184 graticular sections	
EL5278	Variations of Licence Condition	26/06/14	Variation of licence condition 3 of EL5278 to read: "The licensee must expend in connection with exploration of the land a minimum of \$29,700 in the fifth year of the term of the licence, unless this requirement is varied or the application of this requirement is suspended for a specified period, in accordance with the Act."	
EL5278	Partial Cancellation	26/06/14	Partial cancellation of EL5278 (s 38A relinquishment) from 184 graticular sections to 98 graticular sections	
EL5278	Renewal of Title	26/10/15	Renewal of EL5278 for five years	
EL5278	Partial Cancellation	18/09/17	Partial cancellation of EL5278 (s 38A relinquishment) from 98 graticular sections to 67 graticular sections	
EL5278	Variations of Licence Condition	18/09/17	Variation of licence condition 3 of EL5278 to read: "The licensee must expend in connection with exploration of the land a minimum of \$31,750 per year, unless this requirement is varied, or application of this requirement is suspended for a specified period, in accordance with the Act."	
EL5278	Renewal of Title	22/01/21	Renewal of EL5278 for five years	

PART IV – GEOVIC MAP REPORTS



- Current Mineral Exploration □
- Unavailable Crown Land (M) ■
- Commonwealth Land ■
- Unavailable S7 Exempt Area ■
- Restricted Crown Land (M) ■
- Crown Land ■

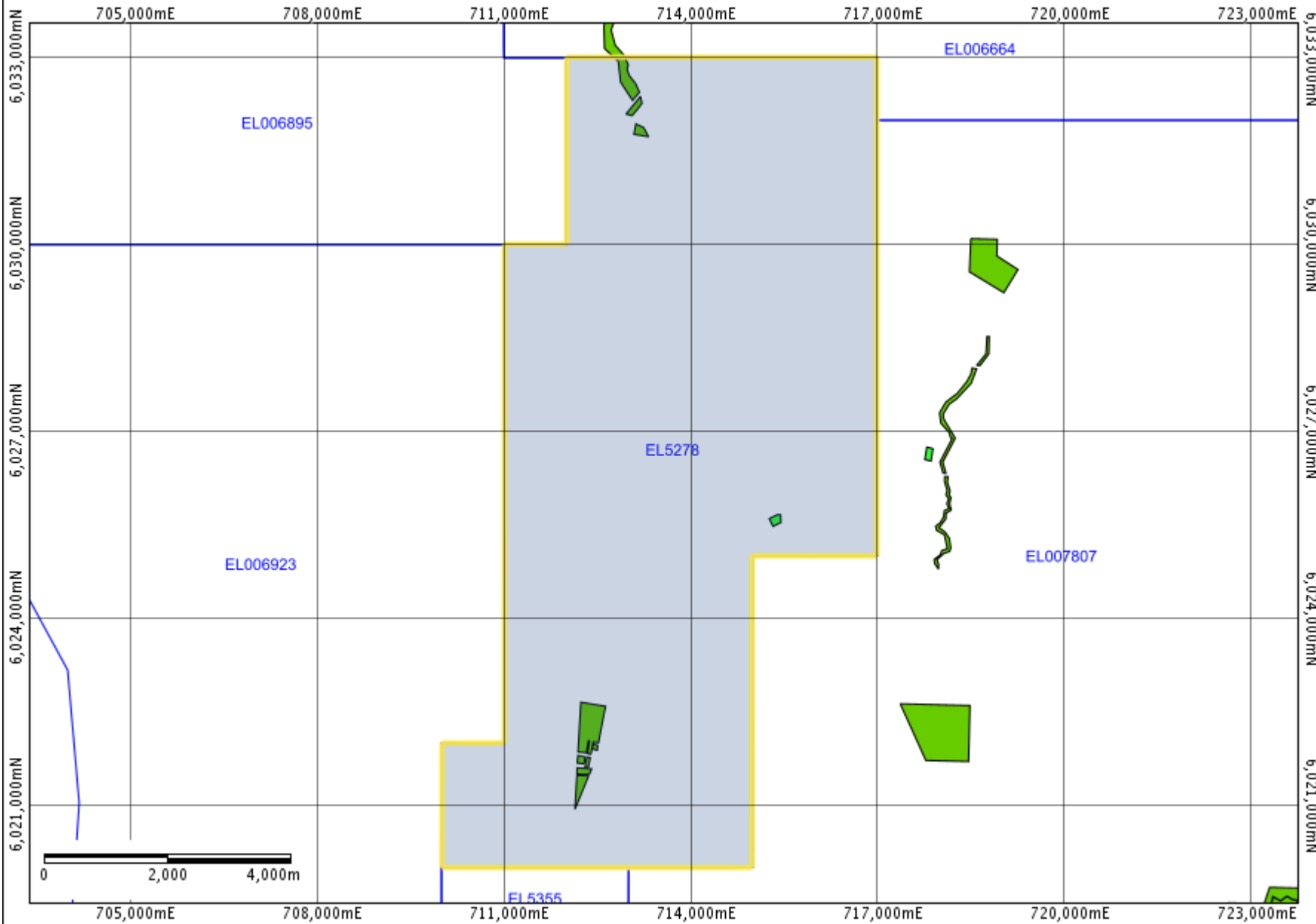


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Map Scale: 1:90,037
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration □
- Water Authority Land (PA s) □
- Restricted Crown Land (PA s) ■

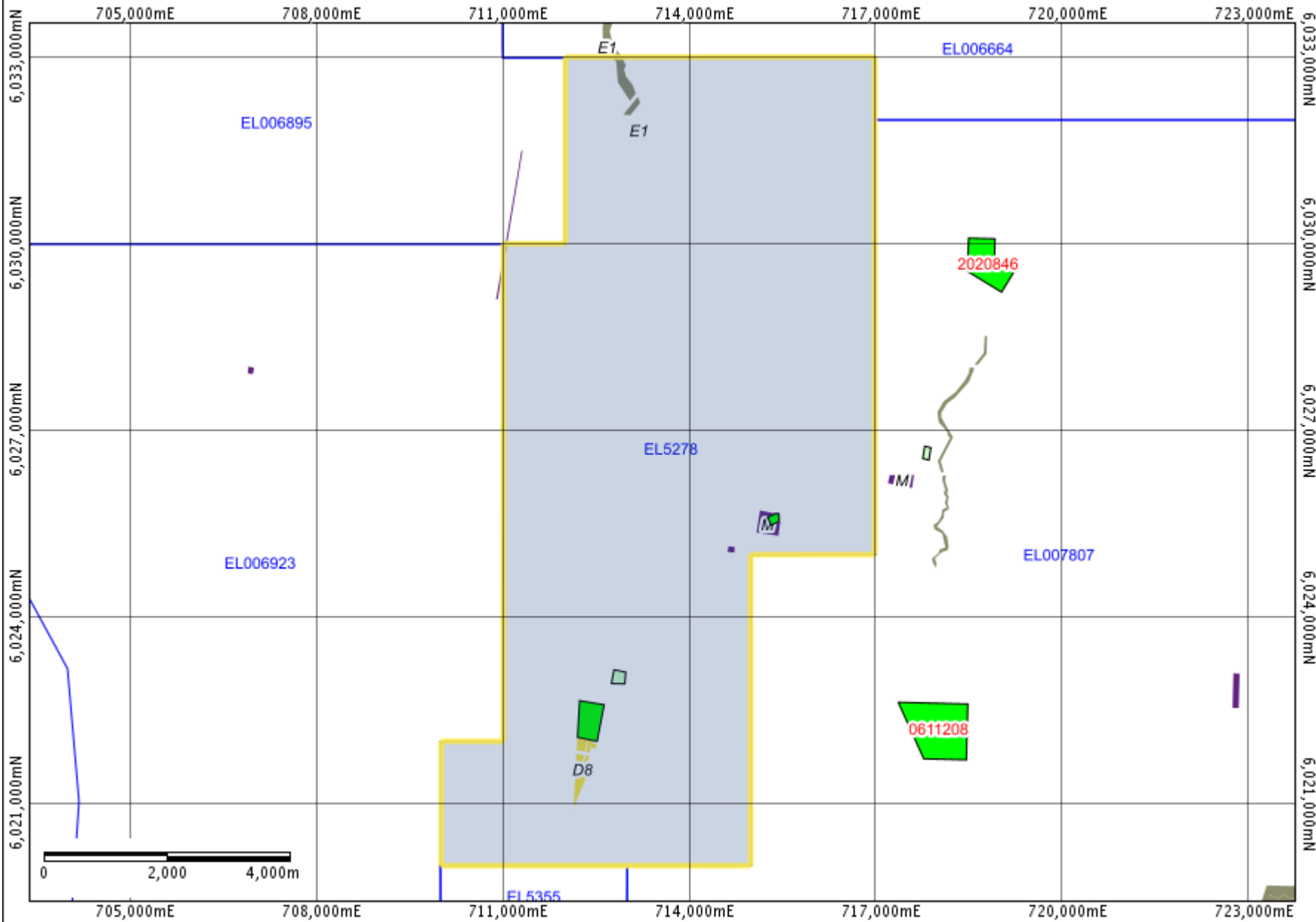


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Map Scale: 1:90,037
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration
 -
- Reserve
 - Reserves - Delegated
 - Reserves - Direct Mana
- VEAC Recommendation Ar
 - Alpine Resorts
 - Coastal Reserves
 - Coastal Waters Reserv
 - Community Use Areas
 - Earth Resources
 - Forest Parks
 - Historic & Cultural Fea
 - Land not required for p
 - Marine National Parks
 - Marine Sanctuaries
 - Metropolitan Park
 - Multi-use Marine Prote
 - National Heritage Park
 - National Parks
 - Natural Features Rese
 - Nature Conservation R
 - Other Park (conservati
 - Plantation
 - Regional Parks
 - Services & Utilities
 - State Forests
 - State Parks
 - Uncategorised Public L
 - Water Production
 - Wilderness Area

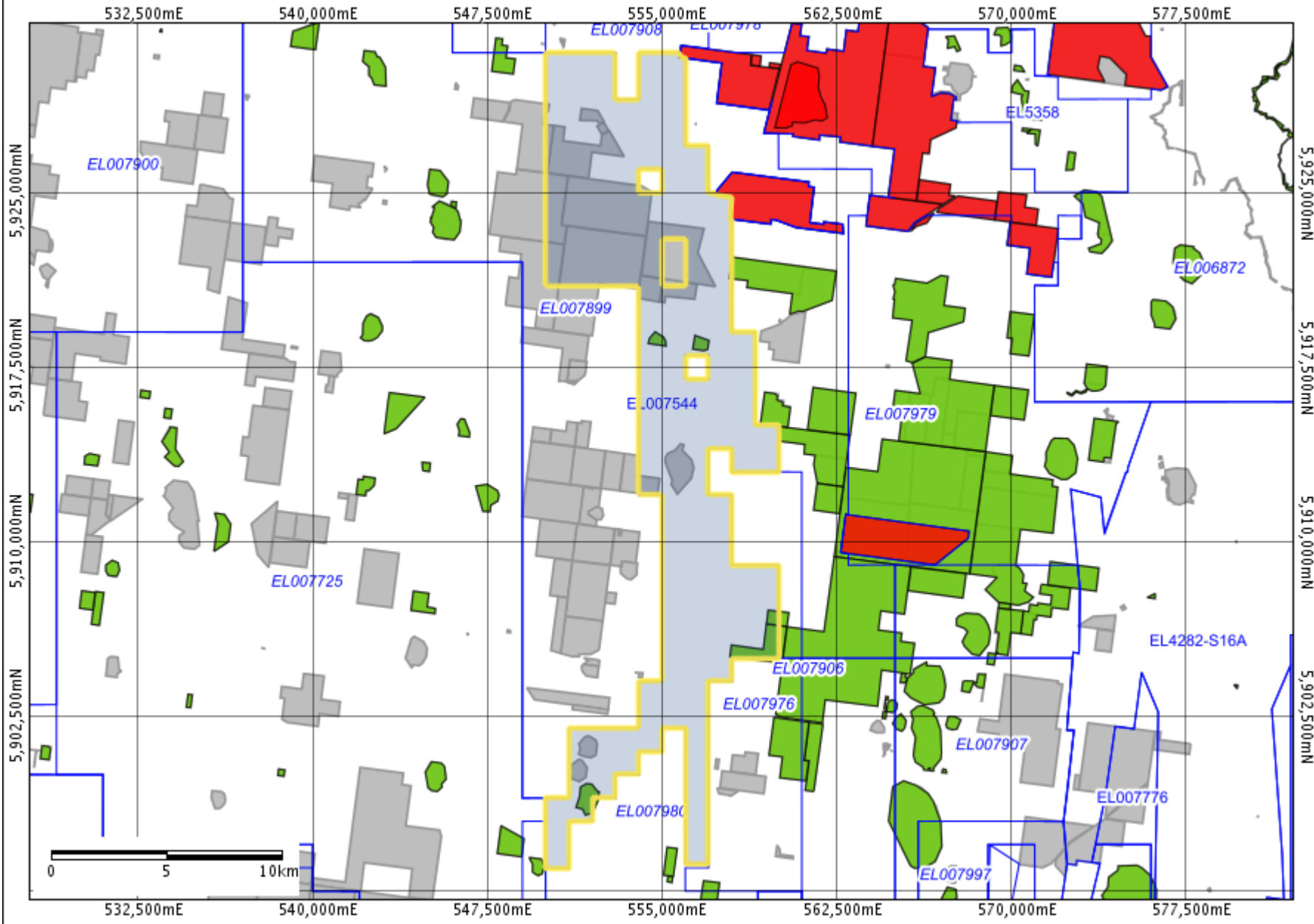










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Map Scale: 1:90,037
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Prospecting Licen 
- Current Mineral Exploratio 
- Unavailable Crown Land (M 
- Commonwealth Land 
- Unavailable S7 Exempt Are 
- Restricted Crown Land (MF 
- Crown Land 
- 

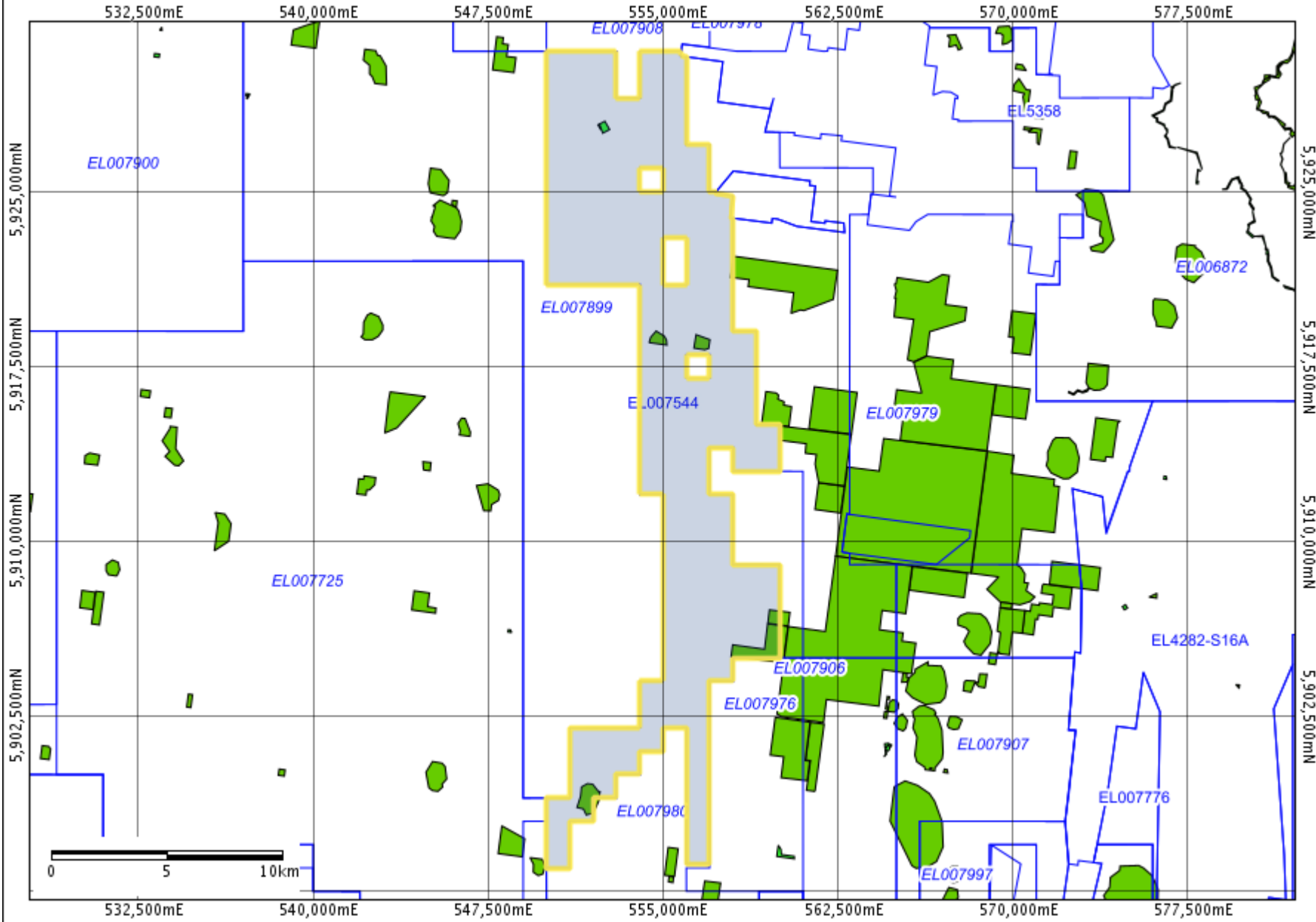


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Map Scale: 1:239,869
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





Current Mineral Exploration



Water Authority Land (PA 544)



Restricted Crown Land (PA 544)



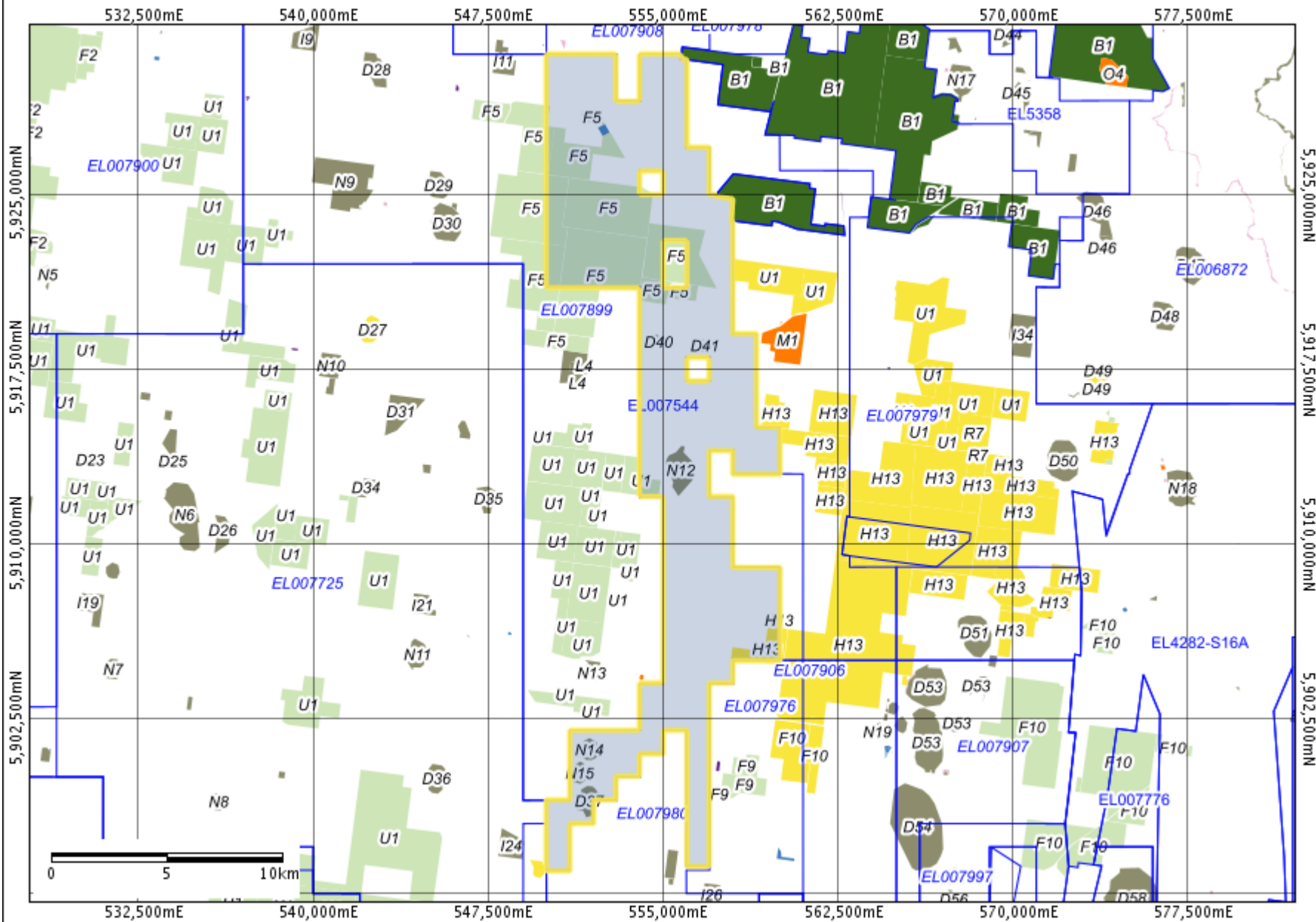
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Map Scale: 1:239,869

Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration
- Current Mineral Exploration
- VEAC Recommendation Areas
- Alpine Resorts
 - Coastal Reserves
 - Coastal Waters Reserves
 - Community Use Areas
 - Earth Resources
 - Forest Parks
 - Historic & Cultural Features
 - Land not required for purposes
 - Marine National Parks
 - Marine Sanctuaries
 - Metropolitan Park
 - Multi-use Marine Protection
 - National Heritage Parks
 - National Parks
 - Natural Features Reserves
 - Nature Conservation Reserves
 - Other Park (conservation)
 - Plantation
 - Regional Parks
 - Services & Utilities
 - State Forests
 - State Parks
 - Uncategorised Public Land
 - Water Production
 - Wilderness Area

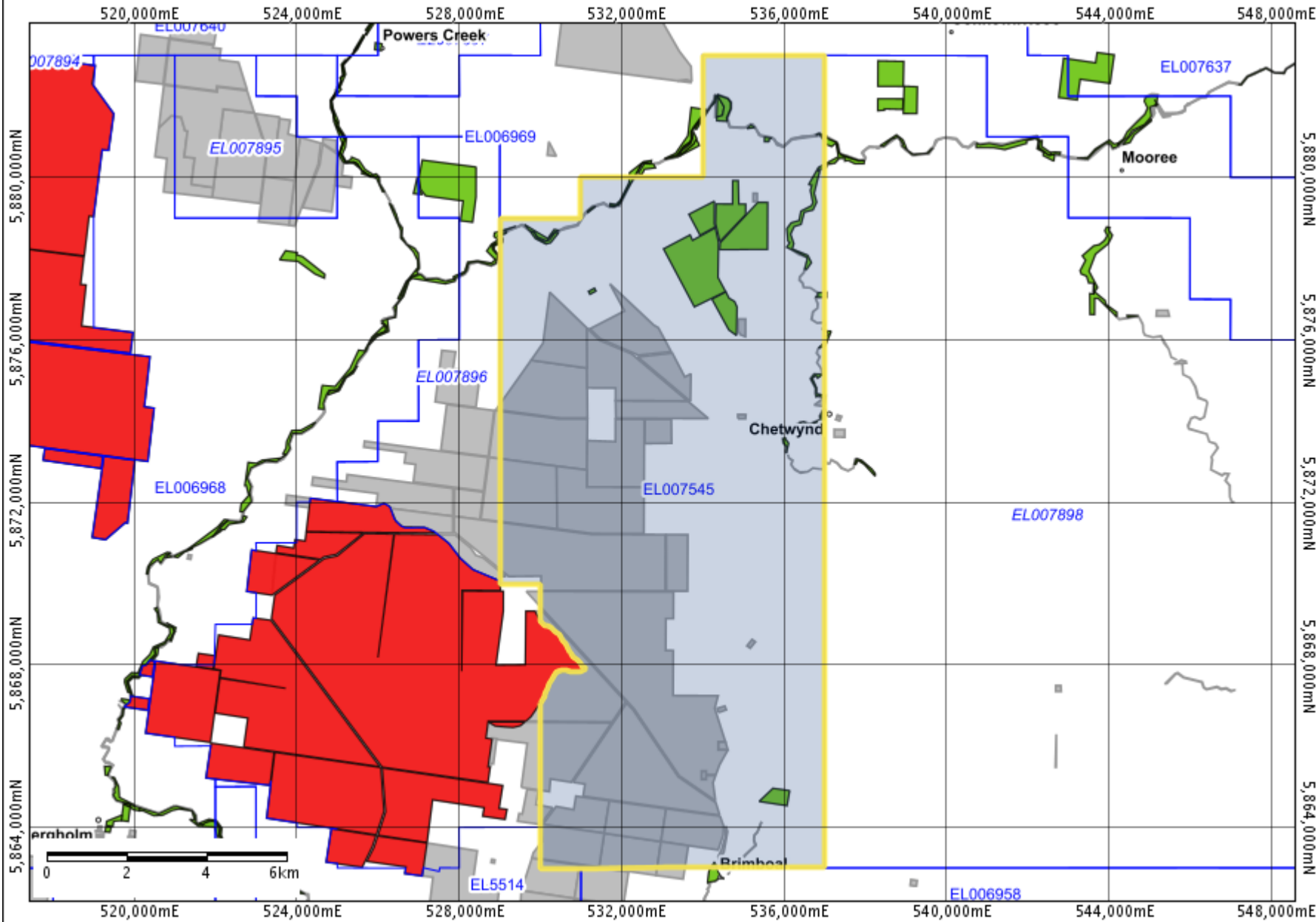


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Map Scale: 1:239,869
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Towns (100K)
 - City
 - Regional Centre
 - Major Town
 - Large Town
 - Town
 - Small Town
 - Locality
- Current Mineral Exploration
 -
- Unavailable Crown Land (M)
 -
- Commonwealth Land
 -
- Unavailable S7 Exempt Area
 -
- Restricted Crown Land (M)
 -
- Crown Land
 -

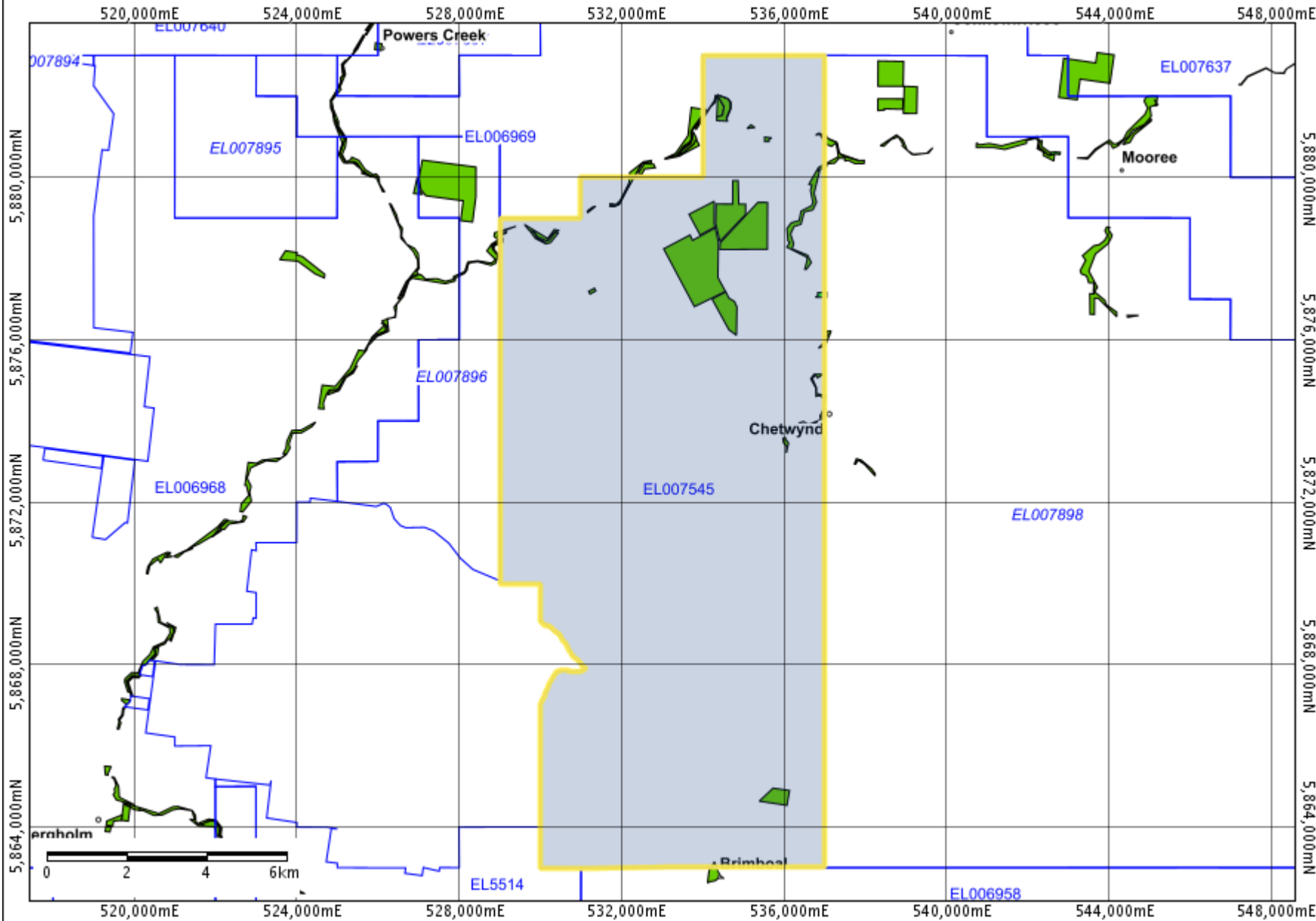


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Map Scale: 1:137,795
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





Towns (100K)

- City
- Regional Centre
- Major Town
- Large Town
- Town
- Small Town
- Locality

Current Mineral Exploration



Water Authority Land (PA 5)



Restricted Crown Land (PA 5)

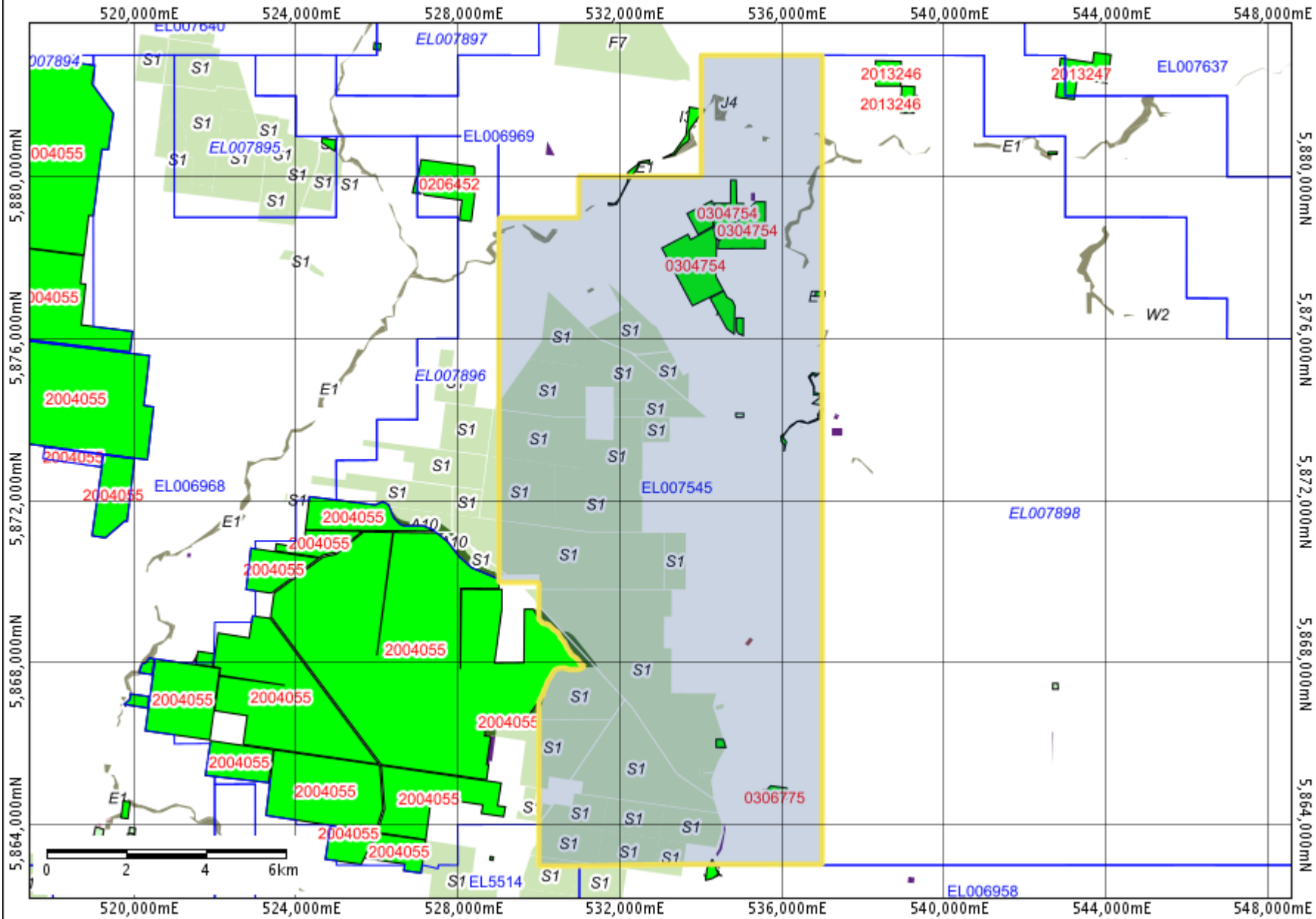


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Map Scale: 1:137,795
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





Current Mineral Exploration



Reserve

- Reserves - Delegated
- Reserves - Direct Mana

VEAC Recommendation Ar

- Alpine Resorts
- Coastal Reserves
- Coastal Waters Reserv
- Community Use Areas
- Earth Resources
- Forest Parks
- Historic & Cultural Fea
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- Marine National Parks
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- Metropolitan Park
- Multi-use Marine Prote
- National Heritage Park
- National Parks
- Natural Features Rese
- Nature Conservation R
- Other Park (conservati
- Plantation
- Regional Parks
- Services & Utilities
- State Forests
- State Parks
- Uncategorised Public L
- Water Production
- Wilderness Area

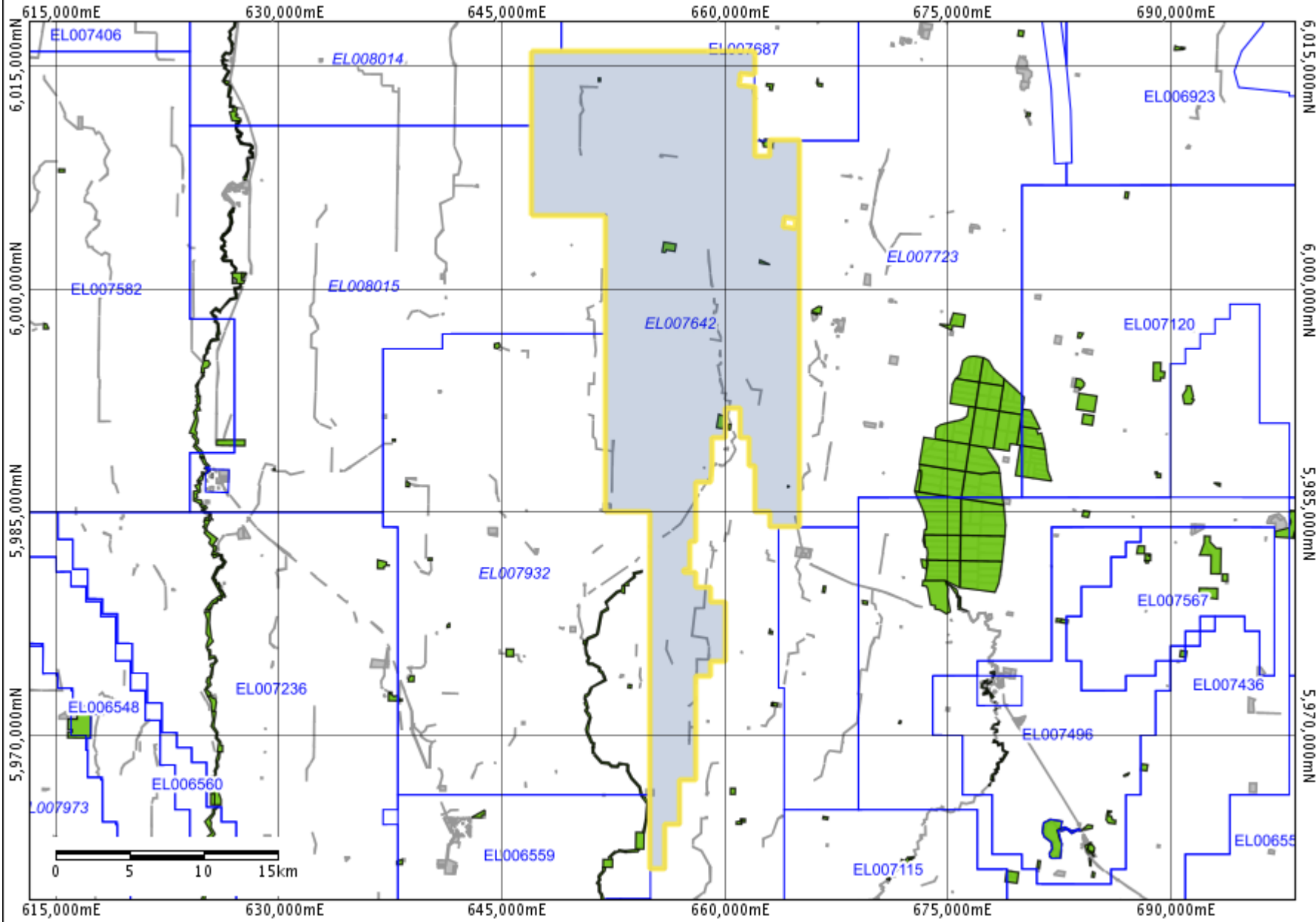


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Map Scale: 1:137,795
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration □
- Unavailable Crown Land (M) ■
- Commonwealth Land ■
- Unavailable S7 Exempt Area ■
- Restricted Crown Land (M) ■
- Crown Land ■

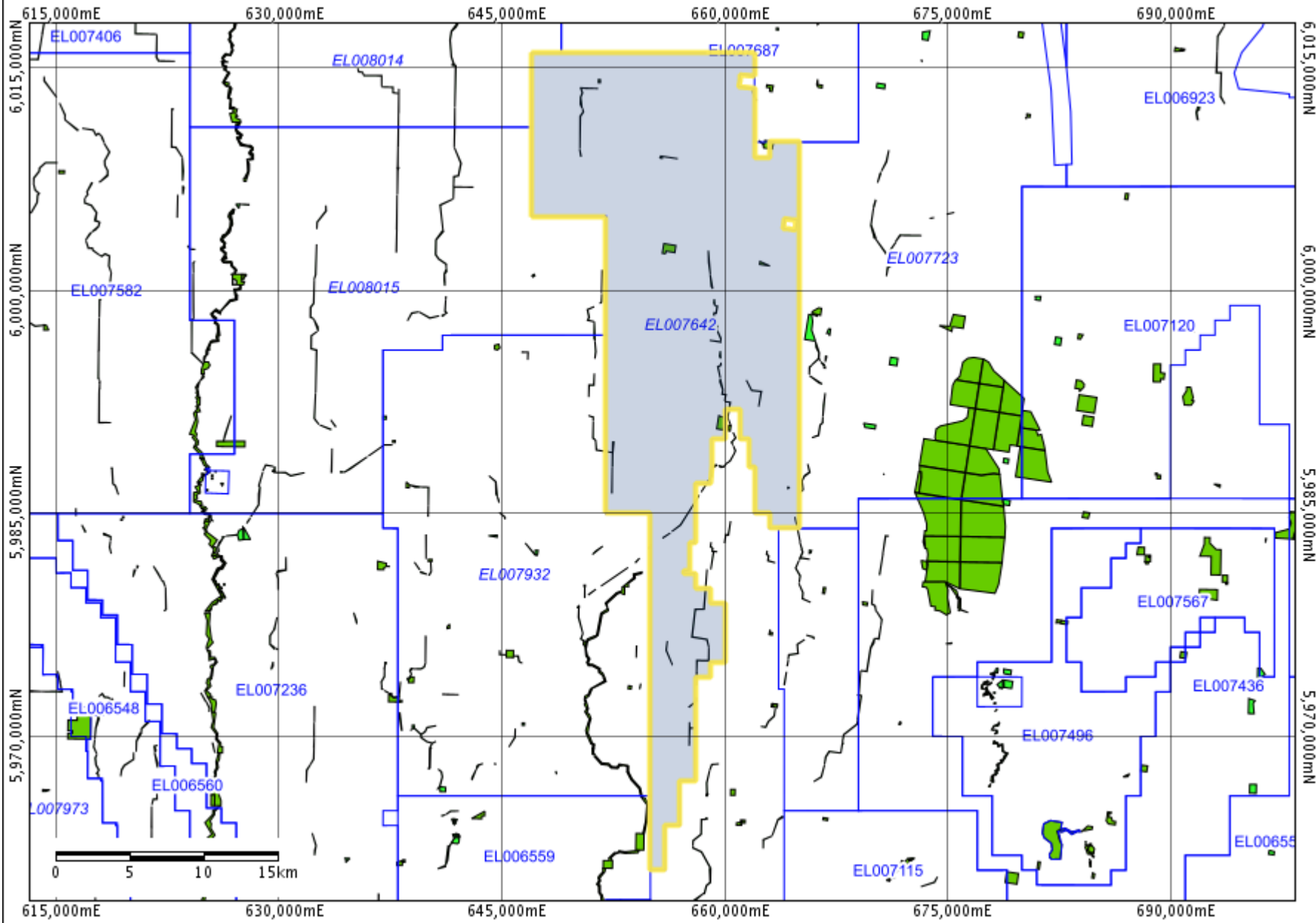





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Map Scale: 1:376,568
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration 
- Water Authority Land (PA s) 
- Restricted Crown Land (PA s) 

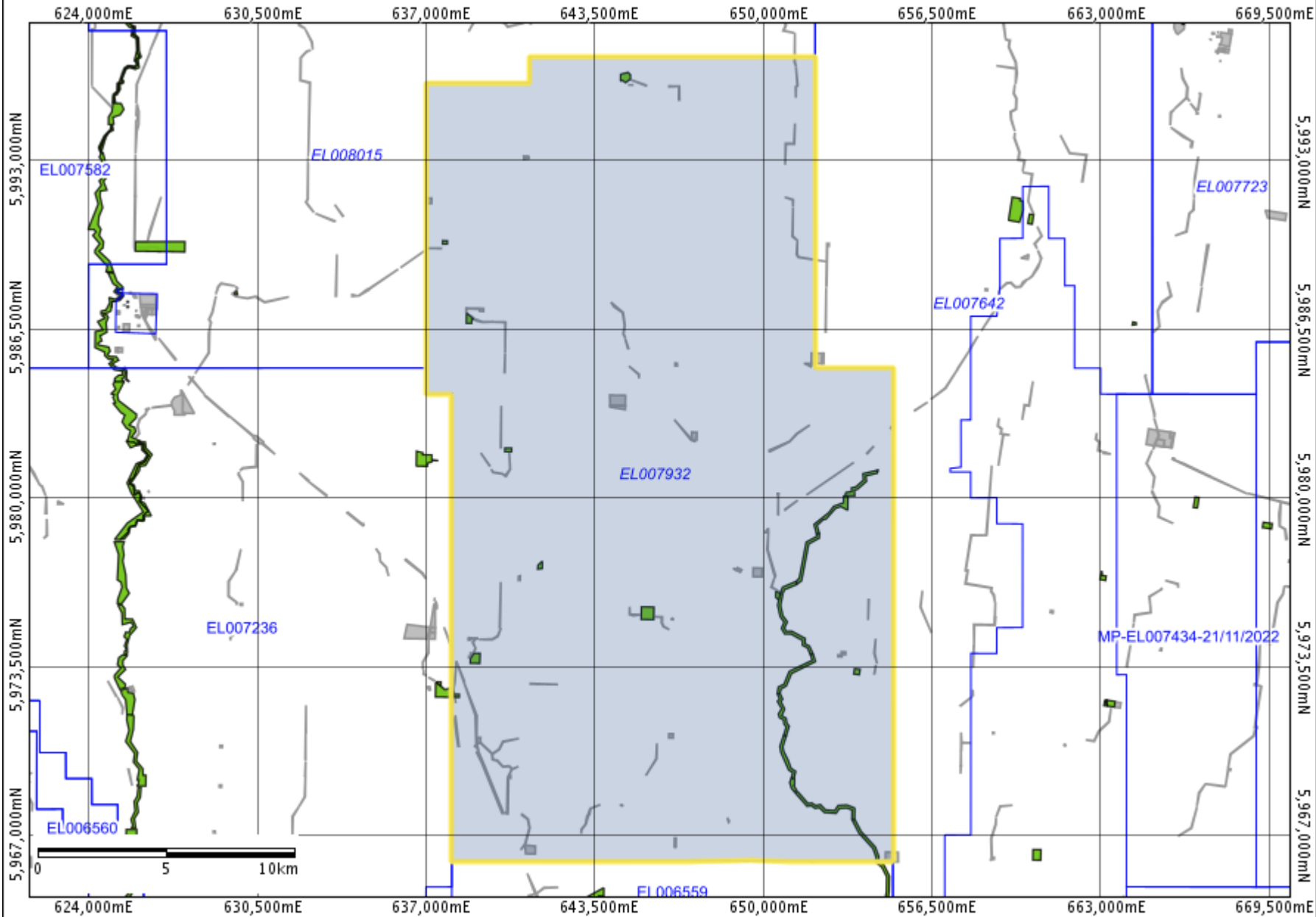


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Map Scale: 1:376,568
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration □
- Unavailable Crown Land (M) ■
- Commonwealth Land ■
- Unavailable S7 Exempt Area ■
- Restricted Crown Land (M) ■
- Crown Land ■

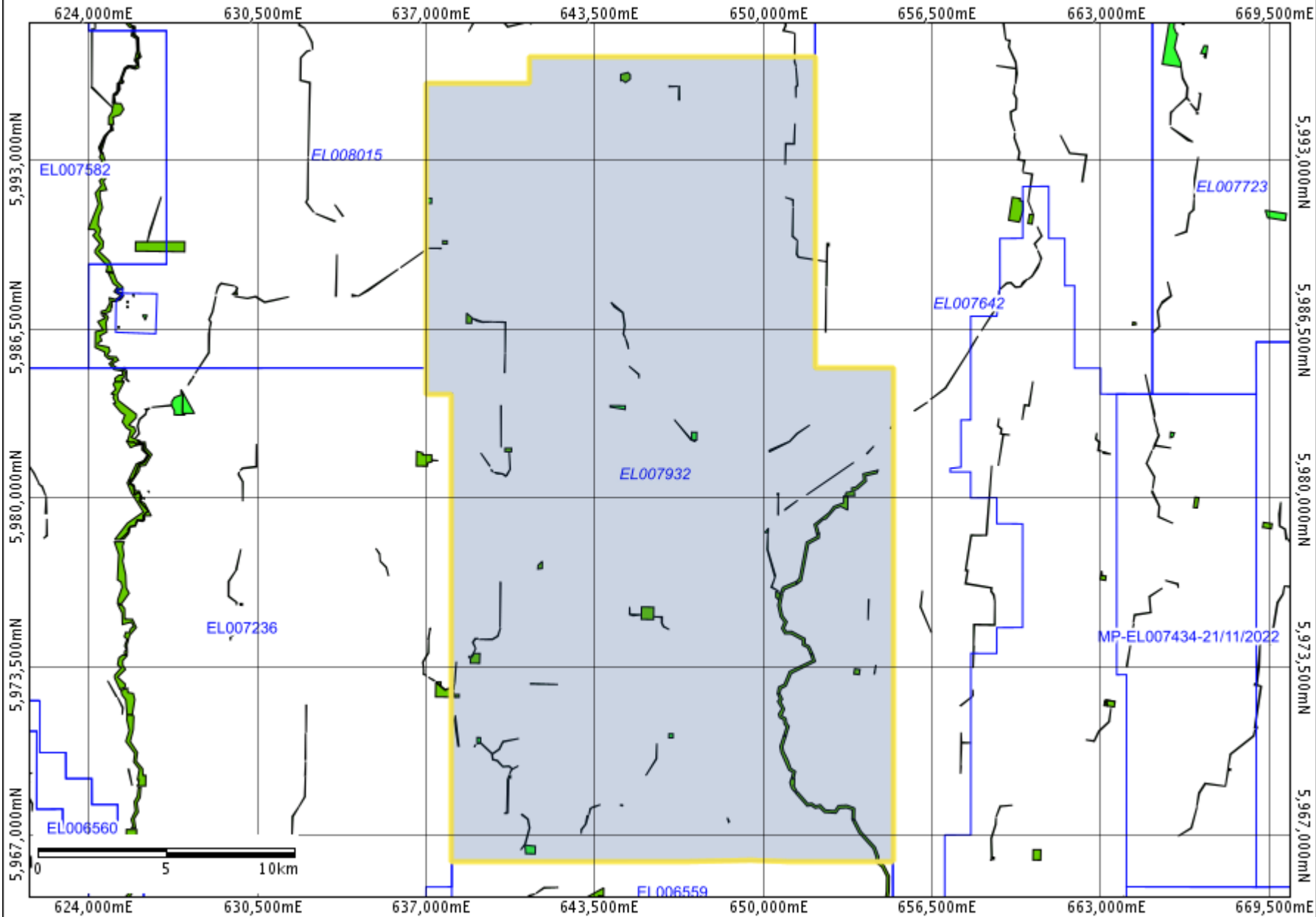


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Map Scale: 1:214,792
Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





Current Mineral Exploration



Water Authority Land (PA s



Restricted Crown Land (PA



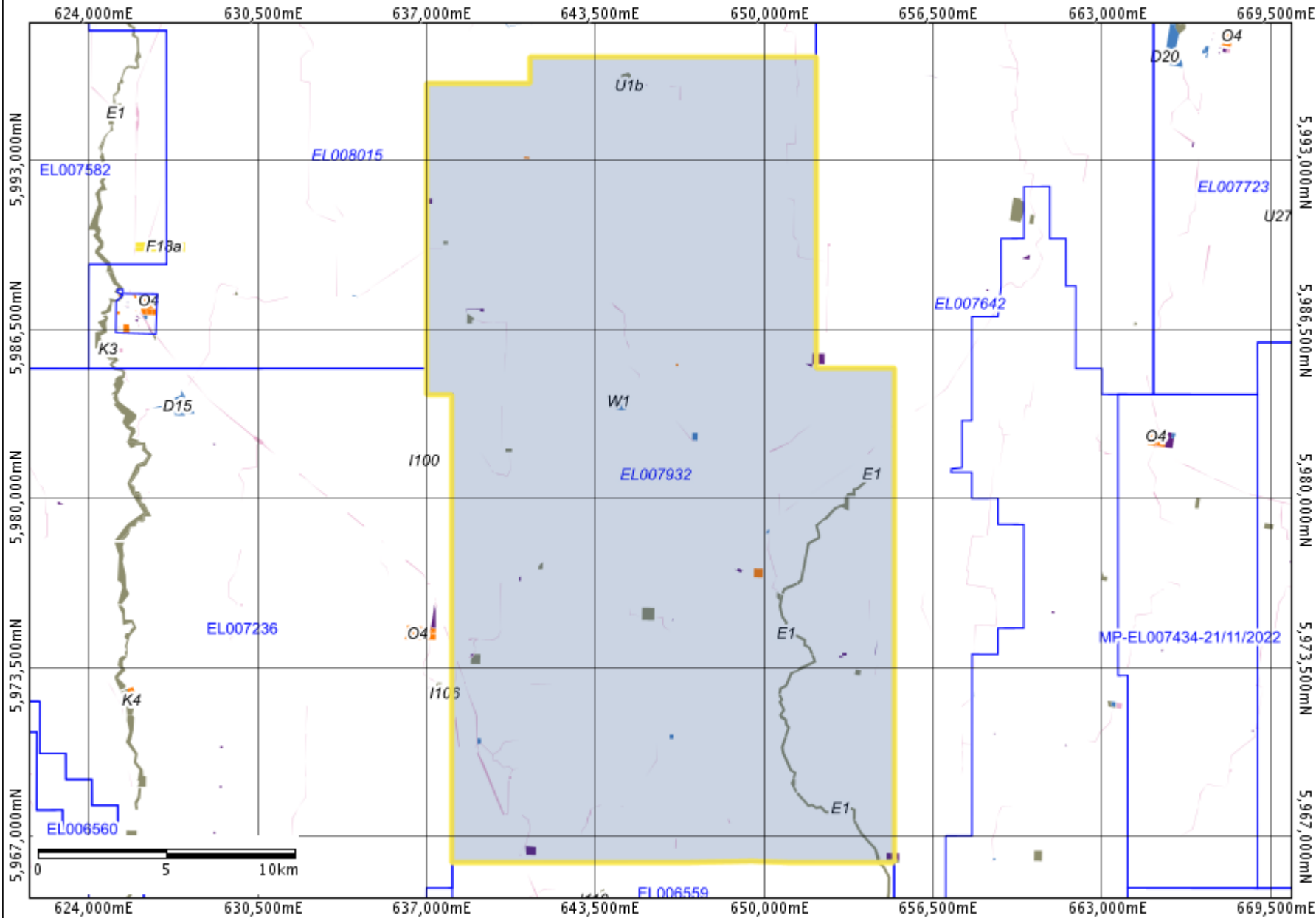
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Map Scale: 1:214,792

Projection: MGA94 54

The map contains zonal grid lines that extends beyond their zone boundary.





- Current Mineral Exploration
- Current Mineral Exploration
- VEAC Recommendation Areas
- Alpine Resorts
 - Coastal Reserves
 - Coastal Waters Reserve
 - Community Use Areas
 - Earth Resources
 - Forest Parks
 - Historic & Cultural Features
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 - Marine Sanctuaries
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 - State Forests
 - State Parks
 - Uncategorised Public Land
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 - Wilderness Area



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Map Scale: 1:214,792

Projection: MGA94 54

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ANNEXURE C
INDEPENDENT TECHNICAL
EXPERT'S REPORT





Document:

Independent Expert Evaluation on the Medallion Monazite Process

143-RPT-GEN-001 Rev 2

Project:

143 - Monazite Processing IPR

Date:

27 October 2022

Prepared for:

ACDC Metals Ltd



Version History

Date	Revision	Purpose	Prepared	Checked	Approved
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19-Oct-2022	C	Final draft	JGB	JDR	CPS
25-Oct-2022	0	Issued as final	JGB	JDR	CPS
26-Oct-2022	1	Table update	JGB	JDR	CPS
27-Oct-2022	2	Issued as final	JGB	JDR	CPS

Document Approval

Task	Role	Name
Prepared	Senior Process Engineer	James Buchanan
Checked	Project Manager	Joe Russell
Approved	Principal Process Engineer	Chris Stinton

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Disclaimer

This evaluation was prepared for ACDC Metals Ltd by Zenito Limited on the basis of instructions, information and data supplied by them. Zenito has exercised all due care in reviewing the supplied information, however the accuracy of the results and conclusions in this evaluation are entirely reliant on the accuracy and completeness of the supplied data. Zenito does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them.

1 FOREWORD

1.1 An Introduction to the REE Industry

The term rare earth elements (“REE”) refers to 17 chemically similar elements, consisting of 15 from lanthanide series (atomic numbers 57 through 71 on the periodic table), scandium, and yttrium. The light rare earth element subset consists of elements 57 through to 64, and heavy rare earth element set of elements 65 to 71.

REEs are grouped together due to their sequential atomic weight and similar chemical characteristics. The slight differences in atomic structure, gives rise to contrasting magnetic, optical, and metallurgic properties and enables specific industrial and economic applications. REEs are included in many countries lists of critical minerals as they are important enabling participants in many emerging technologies.

The word ‘rare’, when used to describe this group of elements, originates from late 17th century notion that these elements could only be isolated from very rare minerals. Considering their abundance in the Earth’s crust, the term rare is now inappropriate. REEs are lithophilic and are therefore concentrated in compounds such as carbonates, silicates, titanotantaloniobates, and phosphates.

Although most of the REEs were first discovered and isolated in Sweden, the industrial application of these metals began in the Austrian Empire in the mid-18th century. Swedish chemist Jons Fridrik Bahr (1815–1875) from Uppsala in Sweden travelled to Heidelberg in Germany in 1855 to analyse REE minerals using the spectroscope that had recently been discovered by chemistry professor Robert Bunsen (1811–1899) and his physicist colleague Gustav Kirchhoff (1824–1887).

Carl Auer (1858–1929) also went from Vienna, Austria, to Heidelberg to study under Bunsen. Auer was assigned the task to separate the REEs from complex minerals. On his return home, Carl Auer took the remaining mineral samples to continue his studies at the University of Vienna. While in Heidelberg, Carl Auer had noted the remarkable light-emitting powers of the rare earth oxides when they were inserted into the flame of a Bunsen burner. In Vienna he put this observation into practice by inventing the gas mantle, a stocking made of cotton thread and soaked in a solution of the earth metal salts.

In the 21st century, electric vehicles, wind turbines, smart phones, computers, x-ray machines, cancer treatments, medical lasers, plastics, and catalytic converters are just some of the products that require REEs, often in the form of high strength permanent magnets. Their most profound impact however, is emerging in the movement toward renewable energy generation and low CO2 emission transport, providing key functions that will underpin the energy transition for many decades to come.

As demand grows for technologically advanced and low emission products, the demand for REE-bearing products also increases.

China currently accounts for 70 per cent of world rare earth element production and has approximately 30 per cent of known rare earth resources.

According to Geoscience Australia, a critical mineral is a metallic or non-metallic element that has two characteristics, being essential for the functioning of modern technologies, economies, or national security and there being a risk that its supply chains could be disrupted. The interplay between growing demand and supply concentration has resulted in REEs being regarded as critical minerals/materials in most political jurisdictions and has drawn focus to the need for secure, geographically diverse and low environmental impact sourcing.

In 2020, the majority of the world's REE production, based on United States Geological Survey (USGS) data occurs in China, followed by the United States, Burma, and Australia, with smaller amounts coming from Madagascar, Russia, India, and Brazil. The largest single source of REEs in the world is the Bayan Obo mine in the Inner Mongolia autonomous region in China. It is a combined rare earth, iron, and niobium mine with rare earths contained both in independent minerals such as bastnäsite (a fluorocarbonate) and monazite (a mixed rare earth phosphate) as well as in iron oxide minerals. Bayan Obo is mined primarily for iron with rare earths as a by-product. China also produces light REE from several other sources, primarily in Sichuan province.

The majority of heavy REEs come from a variety of small mines in southern China and Myanmar that produce by in-situ leaching of ionic clays. Concentrates from the mines in Myanmar are sent to China for further processing. Outside of China and the United States, the largest producer of light REEs is Lynas Corp's Mount Weld mine in Western Australia, a carbonatite deposit containing multiple REE-containing minerals.

The two REE-containing mineral ores currently economically extracted in the United States are bastnäsite and monazite. The highest-grade bastnäsite ore deposit in the world is located at Mountain Pass, California, and has been exploited since the 1950s. In Australia, the Mt Weld mine currently extracts REE principally from weathered and fresh monazite, parasite, bastnaesite, and other complex phosphate and carbonate minerals.

1.2 Current REE Market and Pricing

While REEs are not remarkably rare in nature, they are rarely concentrated into economically significant amounts for extraction and processing.

In 2021 only 254,000 t of all 17 rare earth element oxides ("TREO") combined were produced globally, being around 1% of the global copper market by volume. From 2022 through 2035, Adamas Intelligence forecasts that the global TREO demand will rise at a compound annual growth rate (CAGR) of 6.0 %.

Rapid demand growth for high strength permanent magnets is forecast to drive REE demand. The metals utilised for high strength permanent magnets, notably neodymium, praseodymium, dysprosium and terbium are forecast to rise at market leading CAGRs of 8.3 %. By volume, permanent magnets were collectively responsible for around 30% of the global REE consumption in 2021. However, by value, permanent magnet metals were responsible for 95 % of the total value of the global REE consumption.

Adamas Intelligence forecast that demand for neodymium, praseodymium, dysprosium and terbium is expected to grow faster than the demand for all the other REEs, challenging the ability of the supply side to keep up. Global annual demand for magnetic REEs will

substantially exceed global annual production by 2025, leading to the depletion of historically accumulated inventories and, ultimately, shortages of these critical magnet materials if substantial additional sources of supply are not developed.

1.3 Mineral Sand Monazite as an REE Feedstock

Heavy mineral sand deposits are coarse to fine grained sedimentary accumulations that host an unusually high proportion of dense/heavy minerals including ilmenite, rutile, zircon, monazite and garnet. The minerals within these deposits have high density (greater than 2.85 gcm⁻³) and were concentrated together in coastal or river environments when lighter components, such as quartz, were carried further offshore or along shore.

This deposit type is the main source of feedstock for titanium dioxide (TiO₂) pigments, through recovery of the minerals ilmenite, rutile and leucosene. Heavy mineral sand deposits are also the principal source of zircon and zirconium oxide. Other heavy minerals produced as coproducts from some deposits are sillimanite/kyanite, staurolite, monazite, and garnet.

Monazite and xenotime are REE-rich phosphate minerals regularly found together in heavy mineral sand deposits globally. Monazite and xenotime can be easily concentrated from heavy mineral sands by physical methods. Typically a heavy mineral sand containing approximately 1% combined monazite and xenotime can be processed by well established by gravity, magnetic, and electrostatic methods to a concentrate containing more than 85% monazite and xenotime. This monazite/xenotime concentrate, referred to and globally traded as "Monazite Sand" becomes an attractive feedstock for REE extraction, likely to contain a high proportion of neodymium and praseodymium.

Historically, this Monazite Sand has largely been treated as a waste product or stockpiled due to the presence of radioactive materials such as thorium and uranium.

1.4 REE Permanent Magnets

REE permanent magnets, known as neodymium-iron-boron (NdFeB) or "neo" magnets, are the strongest magnets commercially available and provide a host of benefits to existing and emerging technologies, including renewable energy generation, defence technologies, consumer electronics, power tools, sensors, medical applications amongst others. REE magnets improve the efficiency and design simplicity of electric motors. Within the energy sector, they are necessary components of direct drive and hybrid generators in wind turbines and of traction motors in electric and hybrid-electric vehicles.

These technologies enable the construction of higher-capacity, more efficient wind turbines with reduced maintenance costs; the manufacture of more efficient, more powerful, and lighter-weight motors in electric vehicles (EVs). Notably, 95% of EVs use REE permanent magnet traction motors, because they provide the highest energy efficiency, which translates into greater driving range with equivalent battery capacity.

The NdFeB permanent magnet alloy was developed and commercialised in the 1980s as an alternative to costly samarium-cobalt alloy that was developed and commercialised three decades earlier. The NdFeB alloy is comprised primarily of neodymium, iron, and boron in a Nd₂Fe₁₄B tetragonal crystalline structure, and often contains minor concentrations of

praseodymium, dysprosium, terbium, copper, cobalt, niobium, and other metals to optimise the alloy's properties for certain applications.

NdFeB permanent magnet alloy is the strongest type of permanent magnet material commercially available today in terms of maximum energy product (i.e., magnetic flux output per unit volume). NdFeB magnets have replaced other magnets in many size- and weight-sensitive applications since the 1980s, simultaneously enabling the conception and miniaturisation of a wide array of ubiquitous gadgets and electronics that have pervaded modern society.

China presently dominates all steps of the global NdFeB magnet value chain. In 2020, China controlled approximately 92 percent of the global NdFeB magnet and magnet alloy market. China also dominated the 2020 upstream value chain steps, controlling about 58 percent of the rare earth mining market, 89 percent of the oxide separation market, and 90 percent of the metallization market.

China is the only country with operations in all steps of the NdFeB magnet value chain, including upstream (mining, carbonates production, and separation to oxides) and downstream (metal refining, alloy production, and final magnet production) markets. Japan is the second largest producer of NdFeB magnets after China, comprising about seven percent of the global market.

Japanese firms also maintain magnet, alloy, and metal capacity in other countries. Firms in Germany, Finland, the Netherlands, and Slovenia produce minimal amounts of NdFeB magnets (less than one percent of global production) and are reliant on imported feedstocks to produce metals, alloys, and ultimately NdFeB magnets.

In addition to supply chain concentration, there is a lack of supply chain transparency, standards and certification schemes regarding environmental and social impacts and governance. Indeed, the European Commission considers rare earths to be among the most resource-critical of all raw materials and promotes research and innovation across the entire value chain.

2 INTRODUCTION

Zenito Limited (Zenito) is a consulting firm based in London, UK, specialising in the design of mineral processing plants. Zenito's engineers have designed and managed testwork programmes for multiple clients involving a variety of feedstocks and commodities, and have specific experience within the subject of rare earth processing and hydrometallurgy.

Zenito's Principal Process Engineer, Chris Stinton, is a Chartered Engineer registered with the Institute of Materials, Minerals, and Mining, and has been working in the field of process design and engineering for over 35 years. Chris is a Qualified Person (or Competent Person, depending on the jurisdiction) for minerals processing and has experience in the development of initial process flowsheets and engineering phases through to completed minerals processing plants.

Zenito have prepared this Independent Expert Evaluation on Medallion Resources Ltd's (Medallion Resources) proprietary process, namely the Medallion Monazite Process (MMP), under the instruction of ACDC Metals Ltd (ACN 654 049 699) (ACDC) for inclusion in a prospectus (Prospectus) to be lodged by ACDC with the Australian Securities and Investments Commission. ACDC have exclusively licenced the MMP for use in eastern Australia.

Zenito has had no involvement in the preparation of the Prospectus, other than in the respect of this report. Zenito is considered independent of ACDC for the purpose of preparing this report and gives its consent for inclusion of this report in the Prospectus in the form and context in which it is included.

2.1 Medallion Monazite Process

The Medallion Monazite Process (MMP) is a pre-piloting process developed by Medallion Resources with the assistance of a number of third-party technical service providers, engineers and researchers. Development work commenced in 2015 with John Litz and Associates. This was followed by Saskatchewan Research Council Mining and Minerals Division (SRC) where a more rigorous programme was employed to verify and expand the findings of John Litz and Associates. Complementary work was completed at the University of Toronto with experimental determination of specific thermodynamic properties which were subsequently confirmed with commercial thermodynamics modelling software. Finally, limited confirmatory work has been completed with ANSTO Minerals. Preliminary engineering and life cycle assessments have been prepared for the process localised to the Gulf Coast of the US.

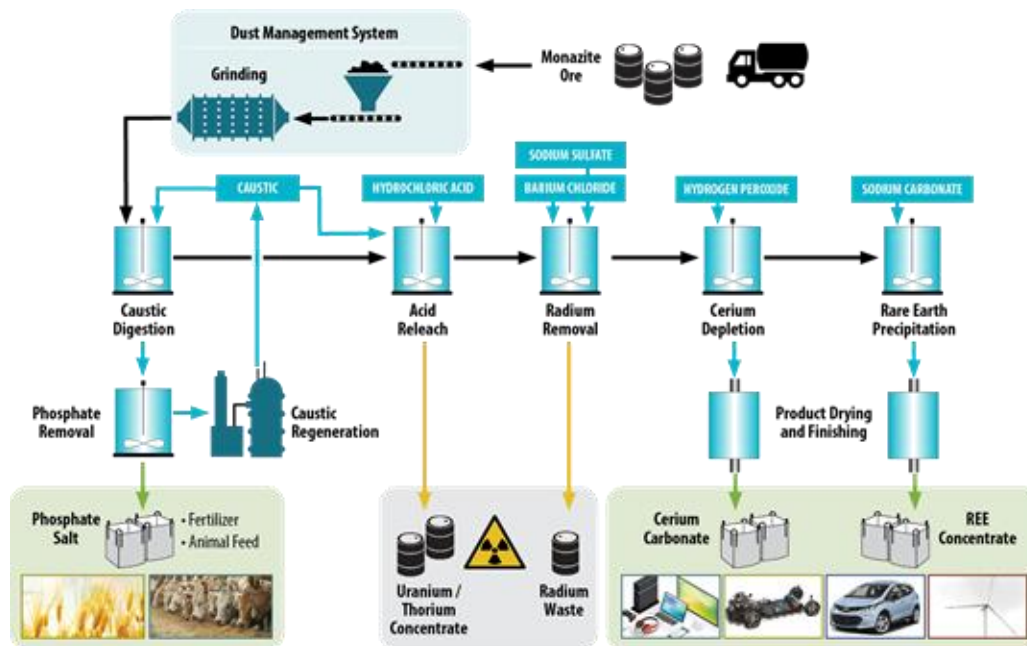


Figure 2-1: Medallion Monazite Process

Medallion Resources provides the following description of the MMP.

The MMP is an updated and modernised version of the commercially established caustic crack and acid leach process employed on Monazite Sand. The process efficiently converts Monazite Sand into a mixed Rare Earth Elements (REE) concentrate whilst enabling the valorisation of by-product phosphate and the controlled management of radionuclides whilst quantitatively reducing the required energy input. The MMP has been developed to be:

- Scalable, to ensure the deployment can accommodate resource availability growth
- Extensible, to ensure the process can be customised and augmented based on the requirements imposed by the deployment site
- Automated, to reduce operator exposure to a challenging work environment and operate an economically-lean workforce
- Modular, in support of both the scalable and extensible design objectives a modular approach has been adopted to expansion and customisation of the process

The mixed REE concentrate, which the MMP produces, is suitable to be directly fed into a conventional solvent extraction circuit or emerging separation platforms such as the Ligand Assisted Displacement (LAD) Chromatography technology Medallion Resources exclusively licenses from the Purdue Research Foundation.

A block flow diagram of the MMP is presented in Figure 2-2.

Operating characteristics of the MMP are as follows:

- Reduced energy footprint compared with the conventional caustic crack and acid leach processes
- Highly integrated process to enable recovery of energy (heating and cooling) with the ability to utilise energy from renewable sources (minimal use of natural gas)

- Reduced process volumes in both phosphate recovery and caustic regeneration (via process intensification)
- Preparation of a phosphate by-product creating value and in turn reducing waste footprint (circa 40 % of monazite is phosphate) – a critical raw material listed by both the EU and US
- Preparation of discrete radioactive waste streams with opportunity to recover potentially economic uranium and thorium (offering enhanced resource stewardship)
- Shared reagent suite commonly employed in REE separation, namely concentrated caustic and hydrochloric acid and potential to reduce total reagent demand

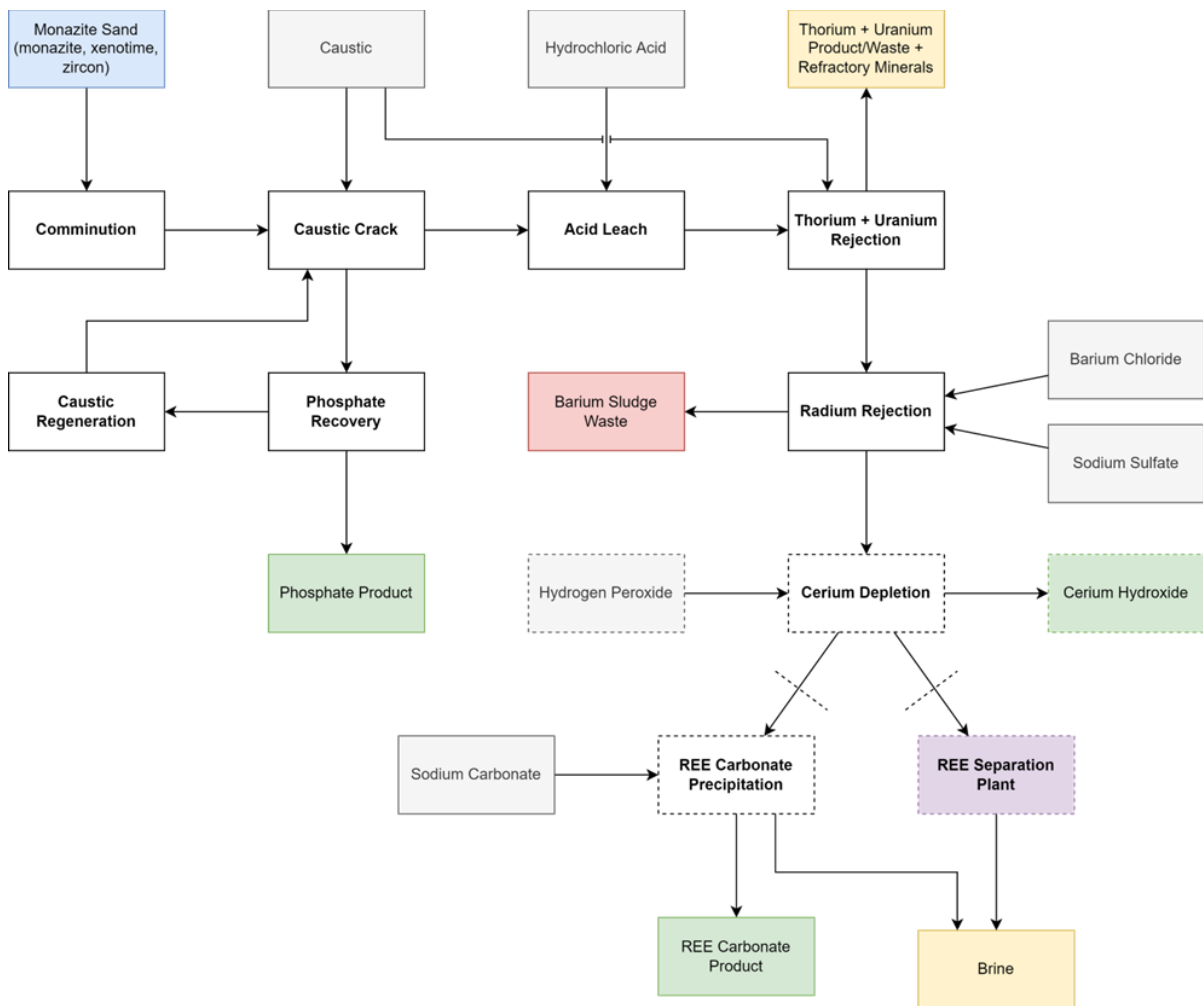


Figure 2-2: Block Flow Diagram

3 REVIEWED INFORMATION

Development activities have comprised a comprehensive review of peer-reviewed literature, bench-scale testing and optimisation, preliminary engineering and economic assessment, and life cycle assessment.

A timeline of the work completed to date is given in Figure 3-1.

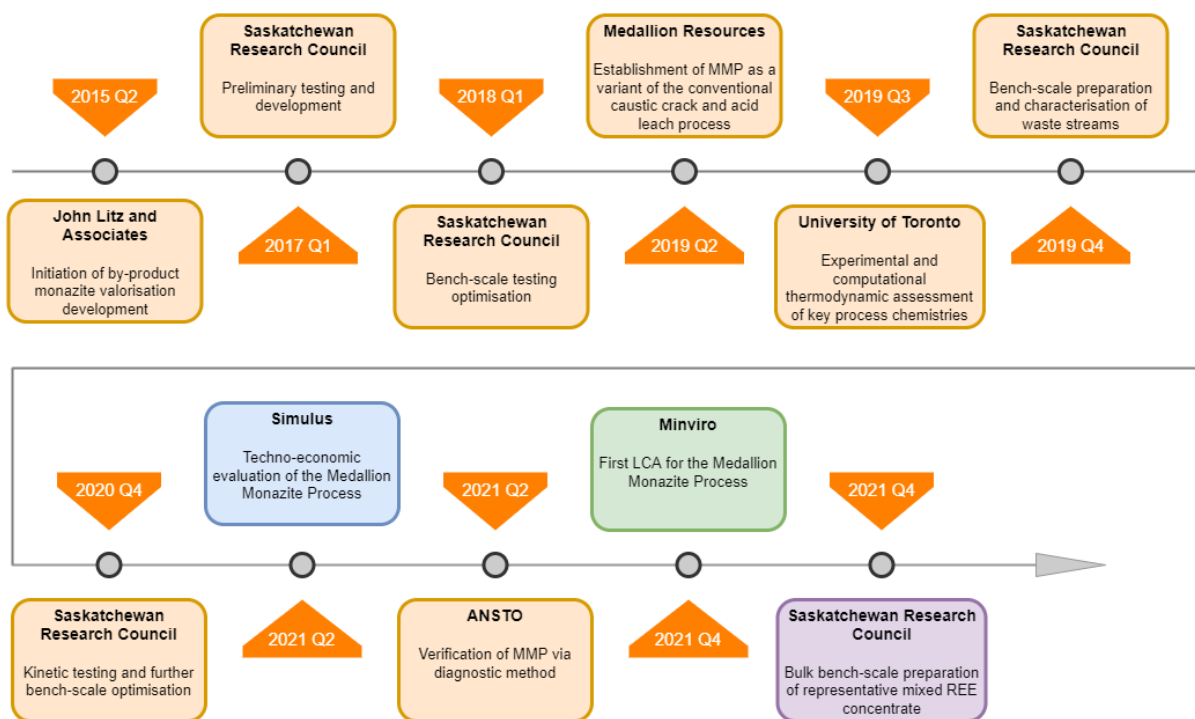


Figure 3-1: Process Development Timeline

Note that the colour coding in Figure 3-1 distinguishes between metallurgical testing (orange, bulk scale work in purple), engineering work (blue), and life cycle assessment work (green). The most recent work by SRC was unique in the fact that it was carried out specifically to produce representative samples.

The bulk of the work has been undertaken on Monazite Sand derived from heavy mineral sand operations in SE USA with complementary work undertaken at ANSTO Minerals with material sourced from an Australian producer.

A summary of the work completed during each of these stages is given in the following sections.

3.1 John Litz and Associates

Medallion Resources commissioned John Litz and Associates to initiate the technical development of a monazite process. Initial work involved a comprehensive literature review of current (hydrometallurgical) processing know-how in the monazite sector including established and novel processing routes and variants within each schema. The work extended

into bench-scale hydrometallurgical testing of a conceptual flowsheet based on the findings of the literature review to verify the technical viability of the route which was favoured. The favoured route was derived from the conventional caustic crack and acid leach process architecture. Finally, a scoping study was prepared for a nominal plant size of 10 kt/a monazite.

Collectively, the work established a technically viable route, verified via bench-scale testing, and supported the potential to establish an economically viable process as assessed by the scoping level study. The outcome was favourable and justified further work in order to reduce the waste production in line with the design objectives and improve overall efficiency.

3.2 Saskatchewan Research Council Mining and Minerals Division

The programme of work undertaken at the Saskatchewan Research Council (SRC) was delivered in a number of discrete campaigns spanning a period of approximately 5 years, looking to confirm the results reported by John Litz and Associates whilst initiating a broader phase of process innovation and refinement.

3.2.1 Preliminary Caustic Cracking and Acid Leaching Tests on Monazite Sand Concentrate

Initial process work commenced in 2017Q1 with a campaign of testing and development focussing on caustic cracking and acid leaching of a Monazite Sand concentrate. Mineralogical characterisation of the sand mineral matrix was undertaken, including mineralogy and granulometry, before moving into the main caustic and acid leaching work. Included within this work was an assessment of acid type employed for the re-leach and an initial impact assessment on the rejection of deleterious elements from the conditioned pregnant leach solution. Two acid types were assessed, both showing efficiency in the re-leaching process as well as the steps to reject deleterious elements.

This work established that nitric acid is twice as expensive as hydrochloric acid on a molar basis. Nitric acid was removed from further testing for this reason. Furthermore, nitric acid also has a high CO₂ impact due to the method in which it is produced, i.e. synthesis from ammonia, which itself is prepared from steam methane reforming and water gas shift reaction to produce hydrogen.

3.2.2 Monazite Processing Optimisation to Produce REE Carbonate

2018Q1 saw another round of testing aimed at producing a representative mixed REE carbonate material. The objectives of the testing programme were to explore process operating condition optimisation with respect to the exploitation of monazite concentrate, including caustic cracking, selective acid re-leaching, purification of the REE leach solution specifically addressing radium removal, cerium depletion, as well as the preparation of a mixed REE carbonate precipitate which would satisfy feed specifications for a conventional solvent extraction (SX) refinery. Also included within this work was the recovery of phosphate product (as trisodium phosphate (TSP)) and waste analysis and characterisation.

This work established a number of items, including the minimum duration required to effectively crack the monazite as well as the reaction excess for caustic, the conditions required to efficiently remove both thorium and uranium from the pregnant leach solution, and the

conditions required for the removal of radium from the pregnant leach solution. Ultimately, a REE carbonate product was generated that was in line with feed specifications imposed by SX refineries (namely REE grade, deleterious elements and radioactivity).

3.2.3 Monazite Processing to Prepare Leach Residue

Further bench scale testing commenced in 2019Q4, in order to prepare and characterise waste streams from the proposed process. This work involved the processing of a higher-grade feed more representative of the run-of-mine material expected from a merchant monazite producer. The campaign sought to address two developmental items, namely the preparation of sufficient radioactive waste to enable detailed characterisation, along with transferability of the process by subjecting the upgraded material to the optimal testing routine. A further set of tests was undertaken to verify the viability of an alternative processing step to improve the recycling of caustic and phosphate recovery circuit.

These tasks were all met with some success, and established consistency of the process and therefore a proof of concept.

3.2.4 Monazite Caustic Kinetics and TSP Crystallisation

Further optimisation work was undertaken in 2020Q4, along with detailed investigations into the cracking kinetics. The results of this work had some influence on reactor design requirements and allowed for some gains in the existing process steps.

The main outcome from this work concerned two proofs of concept; the ability to filter and recycle the discharge from the caustic crack, and the cooling/crystallisation of a TSP side product.

3.2.5 Medallion 60kg Monazite Processing

A programme of bulk work was commenced in 2021Q4, specifically to produce a representative sample of the mixed REE concentrate that could serve as feedstock for testing of Medallion's LAD method for rare earth element separation. The work was successfully completed, and the REE concentrate produced was employed in further testing of the LAD chromatography method.

3.3 Chemical Engineering Research Consultants Ltd

Medallion engaged Chemical Engineering Research Consultants Ltd (CERCL), a research company staffed by academics from the University of Toronto Department of Chemical Engineering & Applied Chemistry, to conduct thermodynamic modelling assessment and experimental verification of physical properties related to solution equilibrium for key process chemistries. The programme of work was undertaken to study the thermodynamic properties of critical parts of the cracking and phosphate recovery circuit with a validation against commercial database/software sources.

The work demonstrated good agreement with commercial and peer-reviewed sources with deviations experienced under some extreme operating conditions. The findings of this programme of work have been retained by Medallion Resources and incorporated into the process design programmes.

Furthermore, this programme of work confirmed the viability of employing rigorous mathematical models which could be employed in the detailed design and operation of deployed processes.

3.4 Simulus Engineers

Medallion Resources commissioned Simulus Engineers to prepare a Techno-economic Assessment (TEA) for the MMP, aimed at assessing the technical and economic potential of this process. This work included the preparation of a comprehensive mass and energy balance (with limited thermodynamic modelling) in SysCAD, as well as preparation of AACE Class 5 capital and operating expenditure estimates for a process localised in Gulf Coast Texas, USA.

Table 3-1: Summary of key results from Simulus TEA

Item	Unit	Value
Plant throughput	t/a	7,000
Capital estimate (including 15% contingency)	USD M	35 M
Operating cost per tonne feed	USD/t	2,487
Operating cost per t produced	USD/t	5,490

Engineering was completed at an assumed 7,000 tonnes per annum scale which would deliver approximately 870 tonnes per annum of neodymium and praseodymium oxide in cerium-depleted mixed carbonate form. Other products from the MMP include cerium oxide and TSP.

The engineered plant is very modest in land use footprint, energy and transport needs, and is comprised of conventional off-the-shelf plant and equipment, allowing for a short procurement to production lead time. The developed process is zero-liquid waste delivering a high degree of flexibility in the choice of prospective operating locations.

Subsequently, a discounted cashflow model was undertaken by an independent third-party financial analyst which is not presented herein, however it demonstrated that a robust economic process could be deployed at various scales under a range of economic conditions.

3.5 Minviro

A Life-Cycle Impact Assessment (LCIA) on the MMP has been undertaken by Minviro, on the engineering basis provided by Simulus, to assess the impact of the process as measured by a number of environmental reporters, including:

- Global Warming Potential kg CO₂ equivalent
- Acidification Potential
- Freshwater Eutrophication Potential
- Terrestrial Eutrophication Potential
- Marine Eutrophication Potential
- Resource Depletion (Mineral/Metals)
- Resource Depletion (Fossil Fuels)

The assessment was prepared on a by-product (monazite) basis, supplied as imports from both local and international producers normalised to the output of 1 kg of Nd₂O₃ and 1 kg of rare earth oxide (REO) equivalent. Further, the baseline established for the MMP is then benchmarked against another by-product derived feedstock (Baotou, bastnasite). Comparatively the MMP was superior to the Baotou derived REE as reported below. Note that the presence of negative values in the Baotou impacts is due to credit being applied for the production of ammonium chloride as a co-product. Note that bastnasite is not considered as a heavy mineral, and comparison with MMP was based on the upstream mineral processing and particular energy mix required.

Table 3-2: LCA Study Results Summary

Item	Unit	Medallion Value	Baotou Value
Global Warming Potential kg CO ₂ equivalent	kg CO ₂ eq.	8.03	12.17
Acidification Potential	mol H ⁺ eq.	0.04	0.10
Freshwater Eutrophication Potential	kg P eq.	3.59 x 10 ⁻³	-1.87 x 10 ⁻³
Terrestrial Eutrophication Potential	mol N eq.	9.64 x 10 ⁻²	-6.65 x 10 ⁻²
Marine Eutrophication Potential	kg N eq.	1.22 x 10 ⁻²	-6.23 x 10 ⁻²
Resource Depletion (Mineral/Metals)	kg Sb eq.	1.16 x 10 ⁻⁴	-17.6
Resource Depletion (Fossil Fuels)	MJ	115	142

Preliminary assessment of the energy mix for South Eastern Australia indicates a more favourable outcome is possible for Global Warming Potential abatement due to a higher level of renewable energy in the local grid compared with Texas. Findings generated as part of the assessment have identified further refinement of the process and integration with refining options provide further opportunities to improve the process performance in LCIA including minimising transport distances and reduction/removal of some reagents.

3.6 ANSTO Minerals

A minor programme of testing was conducted at ANSTO Minerals to verify the transferability of the testing procedures and efficacy of the cracking process on material sourced from an Australian producer. Additional exploratory testing was conducted to determine the impact of initial caustic concentration and concentration management on cracking kinetics.

The work confirmed that transferability of the characterisation and diagnostic testing methods on the Australian originated material. The results were comparable to those obtained from the body of work undertaken by Medallion Resources and increases the confidence that the process architecture will be transferable to Monazite Sand from difference sources.

4 TECHNICAL EVALUATION

Based upon the information provided, it is the view of Zenito that the MMP is supported by positive test results, and exhibits a number of technical advantages over the traditional caustic cracking process employed in the processing of Monazite Sand. These advantages are present in both technological and environmental aspects.

Several different testing programmes have provided a consistent basis for the MMP, and detailed work into process kinetics and thermodynamics has highlighted further opportunities for process intensification and recycling of reagents. The process has additionally been shown to have inherent flexibility to accept a variety of Monazite Sand concentrates, and therefore does not rely on a single source of feed material.

Further, the process design has been subjected to both a preliminary engineering design and economic assessment, and a life cycle assessment. These works highlighted the economic potential, and the reduced environmental impact of MMP when evaluated against a comparable by-product operator. The LCA results are notable given that the MMP model included transport of feedstock over an average of 5,000 km. Zenito note that economic assessments are bound by the date at which they are performed; this is true of the techno-economic assessment was carried out by Simulus in May 2021 and is therefore not reflective of current global circumstances. The technical conclusions of the work remain valid.

The level and detail of the metallurgical testing achieved to date is consistent with Zenito's experience of the process development cycle, although it is important to note that detailed work remains to be done. The results of the work programmes justify the continued development and commercialisation activities required to scale-up and de-risk the process deployment. Within this there are opportunities for efficiency improvements in several areas that have the potential to reduce total energy requirements and capital costs for a future operation.

Continued development should incorporate a more comprehensive LCIA to be undertaken on the basis of a known supply of monazite such as that produced by ACDC. The opportunity to extend the assessment to full supply chain once a monazite source and processing centre is determined would enable direct comparison to conventional green-field REE mining and processing operations.

It is therefore recommended that further testing be commissioned in order to validate and verify the process based on materials sourced from ACDC, and to further characterise waste streams, recycling potential, and to assess any efficiency improvements. Since the process has shown consistency in testing, engineering efforts can similarly be advanced to allow more in-depth review of market factors for both feedstocks and products.

5 FUTURE WORK/FORWARD PLANNING

5.1 Development Budget

The estimated development budget is given in Table 5-1.

Table 5-1: Development Budget

Medallion Monazite Process (MPP) ^{1,2}	Year 1 [AUD]	Year 2 [AUD] ¹	Total
Product characterisation and optimisation ³	320,000	350,000	670,000
Process refinement ⁴	110,000	670,000	780,000
Total	430,000	1,020,000	1,450,000

Notes to table:

1. The above intended use of funds is indicative only and subject to change.
2. Expenditure reflects the existing plans of the Company. As is common for entities engaged in mineral Technology development, depending on the results of its activities the Company may choose to allocate funds other than as set out about, including to accelerate development.
3. Proposed to encompass the following activities: Technical support and project management, Material sourcing, Monazite Sand characterisation, Caustic crack optimisation, Phosphate recovery optimisation and Uranium recovery from acid re-leach residue.
4. Proposed to encompass the following activities: update to chemical engineering and process assumptions for the MMP Technology on the basis of material characteristics as determined in the Product Characterisation and Optimisation stage.

5.2 Development Plan

Funds should be deployed to undertake metallurgical testing in order to tailor the MMP to the specific sand that can be derived from the mineral assets to be developed by ACDC and other prospective sources (captive and merchant). The work programme management will be resourced on a part-time basis in order to design, supervise and manage the complete research, development and innovation effort. This activity will be supported by Medallion Resources technical personnel. Responsibilities will include:

- technical management, supervision and support to test service providers
- commercial management and project controls
- project management and service provider engagement

Initial activities related to the establishment of a work programme to optimise the process based on local and regional constraints regarding water, electricity and natural gas (or other thermal energy source). Additional support will be provided in the assessment of project permitting requirements as it relates to waste management including handling, storage, transport and disposal. The lead of this activity is outside of the technical development programme.

It is as assumed that Monazite Sand will be produced by ACDC as part of broader project development activities related to the resource classification and process development of the associated heavy mineral sands projects. Where outputs from such programmes are insufficient to meet hydrometallurgical demands additional dedicated monazite production

campaigns (drilling, test pitting etc) will be required to satisfy demand beyond the proposed budget. It is anticipated that metallurgical testing will require 10s of kilograms of material in the early development phase increasing steadily to 100s of kilograms of representative material, subject to the rate of development success. The budget accounts for the handling and transport of Class 7 radioactive materials to the selected hydrometallurgical testing provider.

Monazite Sand characterisation should be undertaken to establish the characteristics of the sand representing the ore deposit. The activities should include:

- Comprehensive geochemical analysis of Monazite Sand concentrate
 - Establish distribution and variability of REE and deleterious elements
- Quantitative mineralogical characterisation (MLA/QEMSCAN)
 - Establish modal mineralogy and probable mineral deportment in the MMP
- Electron microprobe analysis (EMPA)
 - Establish intra-mineralogical distribution and variability of REE and deleterious elements

Process optimisation on representative material in order to establish the optimal conditions required to crack the sourced Monazite Sand. This will build upon the comprehensive development work conducted to date from Medallion Resources. Specific areas to be addressed:

- Efficient and effective cracking of monazite (conversion and residence time)
- Recycling of excess unreacted caustic
- Recovery of process heat/steam and heat integration
- Materials handling and phase mixing

Once a tailored optimal process has been established for the caustic cracking process refinement and optimisation of phosphate recovery will be addressed. The objectives of the development programme should be to reduce heating and cooling demand whilst rejecting uranium from the TSP product. In addition to the phosphate recovery regeneration of remaining excess caustic will be undertaken. The quality of this product will determine which markets it can be sold.

Upon conclusion of the listed activities a preliminary campaign of locked-cycle and/or semi-continuous tests will be conducted in order to produce relevant quantities of products and waste for product prequalification, waste disposal development and preliminary permitting activities.

Reference material produced will include the following products:

- REE mixed concentrate for separation and oxide refinery development/assessment
- Uranium and thorium for conventional nuclear fuel cycle appraisal (if local or international market exists)
- Trisodium phosphate, or alternative as determined by marketability, for offtake

As well as waste production and characterisation of:

- Non-radioactive waste
 - Refractory mineral residue (if produced)
- Radioactive waste
 - Uranium and thorium product
 - Radium/barium sulfate sludge (options)

The items below are considered exclusions to the recommended work programme and budget, and shall require additional funding based on development milestones being achieved:

- Preparation of high-grade Monazite Sand concentrates (90 ± 5 % monazite content)
- Comprehensive process model development (mass and energy balance)
- Separation and refining of finished high-purity REE products
- Continuous piloting and demonstration of the integrated process (anticipated for year three of a longer development programme)
- Large-scale production of offtake sample for product qualification

6 CONCLUSIONS AND RECOMMENDATIONS

In Zenito's experience, technology development is initiated by bench scale testing in order to determine process routes and highlight certain unit operations for more intensive study. The main conclusion of bench scale work will ultimately be a proof of concept and direction for further study. Subsequent work at bench scale will then look towards process intensification/optimisation in order to provide data for engineering and cost estimation, and ultimately lead into larger bulk-scale testing of the established process. After review of the documentation provided by Medallion, Zenito concludes that the MMP development to date has been carried out in line with good practice and standards, using reputable service providers. The MMP is supported by positive test results, and exhibits a number of potential technological and environmental advantages over the traditional caustic cracking process employed in the processing of Monazite Sand.

Technology Readiness Levels (TRL) are a type of measurement system used to assess the maturity level of a particular technology, measured on a scale from 1 (lowest) to 9 (highest). Work to date on the MMP is consistent with TRL 4, where a technology has been validated at laboratory scale and multiple components have been tested together. Furthermore, the work by Simulus reported favourable results in developing the engineering and cost estimates, consistent with the requirements of a Class 5 level, as per the AusIMM Cost Estimation Handbook

It is recommended that future work should involve tailoring the process to specific Monazite Sand concentrates from ACDC, along with larger scale testing programmes that will allow for further process intensification, characterisation of waste streams, and refinement of by-product streams.

ANNEXURE D
INDEPENDENT LIMITED
ASSURANCE REPORT



9 November 2022

The Board of Directors
ACDC Metals Limited
Level 6
111 Collins Street
Melbourne VIC 3000

Dear Board of Directors

Independent Limited Assurance Report on ACDC Metals Limited Historical and Pro forma Financial Information

We have been engaged by ACDC Metals Limited (“ACDC”) to prepare this Independent Limited Assurance Report (“Report”) in relation to certain financial information of ACDC Metals Limited for inclusion in the Prospectus.

The Prospectus (or “the document”) is issued for the purposes of raising \$8,000,000 before associated costs based on the Public Offer subscription to assist the Company to meet the requirements for listing on the Australian Securities Exchange (“ASX”).

Broadly, the Prospectus will raise a minimum of \$8,000,000 through the issue of 40,000,000 Ordinary Shares at an issue price of \$0.20 per Share.

Expressions and terms defined in the document have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

Scope

You have requested Hall Chadwick WA Audit Pty Ltd (“Hall Chadwick”) to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested Hall Chadwick to review the following historical financial information (together the “Historical Financial Information”) of the Company included in the Prospectus:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities;
- The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd;
- The historical Statement of Financial Position as at 30 June 2022 for ACDC Metals Limited and its controlled entities;
- The historical Statement of Financial Position as at 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd;
- The historical Statement of Cash Flows for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities;
- The historical Statement of Cash Flows for the periods ended 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd.

The Historical Financial Information of the Group has been extracted from the audited historical financial statements for 30 June 2020 to 30 June 2022 respectively. The financial reports were audited by Hall Chadwick in accordance with Australian Auditing Standards. HCWA issued an unqualified audit opinions with material uncertainty related to going concern for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities and the years ended 30 June 2020 to 30 June 2022 for Fish Hawk Resources Pty Ltd.

Pro Forma Historical Financial Information

You have requested Hall Chadwick to review the pro forma historical Statement of Financial Position as at 30 June 2022 referred to as “the pro forma historical financial information.”

The pro forma historical financial information has been derived from the historical financial information of the Company, after adjusting for the effects of the subsequent events and pro forma adjustments described in note 2 of section 6.7 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in note 2 of section 6.7 of the Prospectus, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company’s actual or prospective financial position or financial performance.

The pro-forma historical financial information has been prepared by adjusting the statement of financial position of the Company as at 30 June 2022 to reflect the financial effects of the following subsequent events which have occurred since 30 June 2022:

- (a) ACDC Metals Limited has raised \$100,000 and issued 1,000,000 fully paid ordinary shares with an issue price of \$0.10.
- (b) ACDC Metals Limited has bought back a total of 16,000,001 fully paid ordinary shares with an issue price of \$0.001.
- (c) ACDC Metals Limited has cancelled 350,000 fully paid ordinary shares with an issue price of \$0.001 and repriced 950,000 fully paid ordinary shares to an issue price of \$0.01
- (d) ACDC Metals Limited has converted \$40,000 founder loans to 400,000 fully paid ordinary shares with an issue price of \$0.10
- (e) ACDC Metals Limited issued 100,000 fully paid ordinary shares at a deemed value of \$10,000 as a sign on bonus to the Chief Executive Officer.

And the following pro forma transactions which are yet to occur, but are proposed to occur following completion of the capital raising:

- (a) Fish Hawk Resources will be repaying Foment Inception Group Pty Ltd Loan \$28,300 and writing off \$29,814 and will repay the Rickie Pobjoy Loan a total of \$4,200.
- (b) the issue of 40,000,000 ordinary shares at \$0.20 per share to raise \$8,000,000 as the Public Offer.
- (c) Costs of the Public Offer include, capital raising fees to Lead Manager and costs of the Public Offer are estimated to be \$1,572,500. Including options issued to the lead manager of \$497,500. Of these costs, \$595,000 has been recognised in the Profit or Loss, and \$977,500 against equity.

- (d) The issue of 5,000,000 unlisted options, exercisable at \$0.30 per option with an expiry date of three years from date of issue. These options will be issued to the Lead Manager or its nominees with a valuation of \$497,500.
- (e) The issue of 6,000,000 fully paid ordinary shares at an issue price of \$0.20, 1,500,000 Class A Performance Rights with a value of \$0.20 per performance right and assessed at 75% probability, totalling \$225,000 will be paid as consideration to the Goschen Tenement Sale Agreement. Additional amounts of \$32,602 in cash and 586,991 ordinary shares at an issue price of \$0.20, totalling value at \$150,000 as reimbursement of prior expenditure incurred by Providence in developing the tenement.
- (f) The issue of 6,000,000 fully paid ordinary shares at an issue price of \$0.20, 1,500,000 Class B Performance Rights with a value of \$0.20 per performance right and assessed at 35% probability, totalling \$105,000 will be paid as consideration to the Douglas Tenement Sale Agreement. Additional amounts of \$16,372 in cash and 168,139 ordinary shares at an issue price of \$0.20, totalling value at \$50,000 as reimbursement of prior expenditure incurred by Oro Plata in developing the tenement
- (g) The issue of 2,500,000 Class C Performance Rights with a value of \$0.20 per performance right, assessed at 65% probability, total amount of \$325,000 and 750,000 Class D Performance Rights with a value of \$0.20 per performance right, assessed at 45% probability, total amount of \$67,500, as consideration for the Medallion Licensing Agreement.
- (h) The issue of 2,500,000 fully paid ordinary shares at an issue price of \$0.10 with a deem fair value of \$0.20 amounting to \$500,000 and 600,000 deferred consideration shares at an issue price of \$0.20 assessed at 35% probability as consideration for the acquisition of Fish Hawk Resources.
- (i) The issue of 4,550,000 unlisted options, exercisable at \$0.30 per option with an expiry date of three years from date of issue. These options and shares will be issued to the Directors, and Company Secretary of the Company as an incentive-based component of their remuneration with the value of \$393,025 recognised on grant date.

Directors' Responsibility

The directors of the Company are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express limited assurance conclusions on the historical financial information and pro forma historical financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Historical Financial Information

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information for the Company comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2022 for ACDC Metals Limited and its controlled entities;
- The historical Statement of Profit or Loss and Other Comprehensive Income for the periods ended 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd;
- The historical Statement of Financial Position as at 30 June 2022 for ACDC Metals and its controlled entities;
- The historical Statement of Financial Position as at 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd;
- The historical Statement of Cash Flows for the periods ended 30 June 2022 for ACDC Metals Limited and its controlled entities;
- The historical Statement of Cash Flows for the period ended 30 June 2020, 30 June 2021 and 30 June 2022 for Fish Hawk Resources Pty Ltd.

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 6.2 of the Prospectus.

Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information comprising the Pro Forma Historical Statement of Financial Position of ACDC Metals Limited 30 June 2022 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in 6.2 of the Prospectus.

Restriction on Use

Without modifying our conclusions, we draw attention to section 6.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

Hall Chadwick has consented to the inclusion of this Independent Limited Assurance Report in this disclosure document in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the disclosure document. Accordingly, Hall Chadwick makes no representation or warranties as to the completeness and accuracy of any information contained in this disclosure document, and takes no responsibility for, any other documents or material or statements in, or omissions from, this disclosure document.

Liability

The Liability of Hall Chadwick is limited to the inclusion of this report in the Prospectus. Hall Chadwick makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

Declaration of Interest

Hall Chadwick does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Hall Chadwick will receive normal professional fees for the preparation of the report.

Yours Faithfully



MARK DELAURENTIS CA
Director

acdc metals^{leaf}

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Melbourne, VIC 3000
Tel: +61 3 8548 7880
Email: info@acdcmetals.com.au



CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS PUBLIC OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in ACDC Metals Limited (ACN 654 049 699) (**Company**) made under the terms of the Public Offer set out in the Prospectus dated 09 November 2022. Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).
- Applicant Name(s) and Postal Address** - ONLY legal entities can hold Shares and Options. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AWST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHESSE Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares and Options allotted to you under this Application on the CHESSE subregister, enter your CHESSE HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "**ACDC Metals Ltd - IPO Account**" and drawn on an Australian bank and expressed in Australian currency and crossed "**Not Negotiable**". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AEDT) on the Closing Date by being delivered or mailed to the address set out in the instructions below.

Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEDT) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Acknowledge that once the Company accepts my/our Application Form, I/we may not withdraw it;
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares and Options to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company;
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares and Options, nor do they guarantee the repayment of capital;
- Represent and warrant that I/we am/are acquiring the Shares and the Options (including the underlying ordinary shares) with the present intention of holding these securities for the purpose of investment and not with the intention of selling the Shares and the Options (including the underlying ordinary shares) in a public distribution in violation of the U.S. federal securities laws or any applicable state securities laws;
- confirm that:
 - I/we am/are knowledgeable in relation to the business of the Company and capable of evaluating the merits and risks of an investment in the Company's securities, including income tax consequences of acquiring and disposing of the Shares and the Options (including the underlying ordinary shares);
 - I/we have been afforded access to information about the Shares and the Company, including the Company's Prospectus;
 - understands that any purchase of the Shares and the Options (including the underlying ordinary shares) involves a degree of risk; and
 - is able to bear the economic risk of any investment in the Shares and the Options (including the underlying ordinary shares).
- Acknowledge that I/we am/are an institutional or professional investor acting for my/our behalf or for the account or benefit of a person who is an institutional or professional investor, and that if I/we am/are (and any such person is) in
 - Canada (British Columbia, Ontario and Quebec provinces only)**, I/we am/are (and any such person is) an "accredited investor" as defined in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106");
 - Ireland**, I/we am/are (and any such person is) a "qualified investor" (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);
 - Singapore**, I/we am/are (and any such person is) an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act 2001 of Singapore ("SFA"));
 - the United States**, I/we am/are (and any such person is) an "institutional accredited investor" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act.

LODGEMENT INSTRUCTIONS

The Offer is expected to open on 17 November 2022 and is expected to close on 09 December 2022. The Directors reserve the right to close the Offer at any time once sufficient funds are received or to extend the Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

Paper Application and Cheque

By Post:

ACDC Metals Limited
C/- Automic Pty Ltd
GPO Box 5193
SYDNEY NSW 2001

OR

By Hand Delivery:

ACDC Metals Limited
C/- Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Online Applications and BPAY® or EFT Payments

Online:

<https://apply.automic.com.au/ACDC>

