

13 January 2023

ASX Market Release

ACDC Metal Limited PRE-QUOTATION DISCLOSURE – STATEMENT OF CONFIRMATIONS

ACDC Metals Limited (ACN 654 049 699) (**ACDC** or **Company**) (ASX:ADC) provides the following confirmations to satisfy conditions for the admission of the Company's securities to quotation on the official list of the ASX.

Capitalised terms not otherwise defined in this document have the same meaning as given in the Company's prospectus dated 9 November 2022 (**Prospectus**) unless the context requires otherwise.

1. Completion of Offers and Issue of Securities

ACDC confirms that it has closed all of the Offers under the Prospectus and all conditions to the Offers have been satisfied. The Company has issued 40,000,000 Shares at an issue price of \$0.20 per Share raising \$8,000,000 before costs. The Company has also completed:

- a) the issue of 6,168,139 Shares and 1,500,000 Class A Performance Rights to Oro Plata Pty Ltd (ACN 127 800 391) (**Oro Plata**) pursuant to the Douglas Tenement Sale Agreement dated 1 August 2022 in relation to the acquisition by the Company of an initial 80% legal and beneficial interest in EL7544 and EL7545 (**Douglas Project**);
- b) the issue of 6,586,991 Shares and 1,500,000 Class B Performance Rights to Providence Gold and Minerals Pty Ltd (ACN 004 881 789) (**Providence**) pursuant to the Goschen Tenement Sale Agreement dated 20 September 2022 in relation to the acquisition by the Company of an initial 80% legal and beneficial interest in EL5278 (**Goschen Central Project**);
- c) the issue of 2,500,000 Shares to the vendors of Fish Hawk Resources Pty Ltd (ACN 604 942 403) (**Fish Hawk**) (being Foment Inception Group Pty Ltd and Rickie Pobjoy) (**Fish Hawk Vendors**) pursuant to Fish Hawk Share Sale Agreement dated 14 September 2022 in relation to the acquisition by the Company of 100% of the issued share capital in Fish Hawk, which holds 100% legal and beneficial interest in ELA7642 and ELA7932 (**Watchem Project**);
- d) the issue of 5,000,000 unlisted options exercisable at \$0.30 expiring on 9 January 2026 to PAC Partners Securities Pty Ltd (and/or its nominee) in consideration for services provided as lead manager with regard to the IPO (**Lead Manager Options**);
- e) the issue of 4,550,000 unlisted options exercisable at \$0.30 on 9 January 2026 to the Directors, the Chief Executive Officer and Company Secretary of the Company as an incentive-based component of their remuneration (**Officer Options**); and
- f) the issue of 2,500,000 Class C Performance Rights and 750,000 Class D Performance Rights to Medallion Resources Ltd under the Medallion Licensing Agreement between Medallion, Medallion Research USA, INC, ADC and ACDC Metals Technology Pty Ltd dated 2 October 2022.

2. Capital Structure

ACDC's capital structure as at the date of admission to the Official List is as follows:

Shares on issue as at the date of the Prospectus	17,050,000
Shares issued under the Public Offer	40,000,000
Shares issued pursuant to Goschen Tenement Sale Agreement	6,586,991
Shares issued pursuant to Douglas Tenement Sale Agreement	6,168,139
Shares issued pursuant to Fish Hawk Share Sale Agreement	2,500,000
Shares issued under the Offer	40,000,000
Total Shares on issue	72,305,130
Unquoted Options on issue as at the date of the Prospectus	Nil
Unquoted Options ¹ issued to the Lead Manager	5,000,000
Unquoted Options ¹ issued under the Officer Options Offer	4,550,000
Total Unlisted Options¹ on issue	9,550,000
Performance Rights to be issued under the Performance Rights Offer	6,250,000
Total Performance Rights on issue	6,250,000

Notes:

1. Exercisable at \$0.30 and expiring on 9 January 2026.

3. Restricted Securities

ACDC confirms that subject to quotation, the following securities will be restricted from trading pursuant to the ASX Listing Rules for the period as set out below:

Security	Number	Restriction Period
Fully paid ordinary shares	22,682,630	24 months from quotation
Fully paid ordinary shares	325,000	12 months from 19 August 2022
Fully paid ordinary shares	50,000	12 months from 27 October 2022
Fully paid ordinary shares	2,500,000	12 months from 9 January 2023
Unquoted Options exercisable at \$0.30 and expiring on 9 January 2026	8,700,000	24 months from quotation
Unquoted Options exercisable at \$0.30 and expiring on 9 January 2026	850,000	12 months from 9 January 2023
Performance Rights ¹	6,250,000	24 months from quotation

Notes:

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



4. Satisfaction of Conditions Precedent and Completion of Agreements

The Company confirms:

- a) satisfaction of all of the conditions precedent and completion of the Douglas Tenement Sale Agreement between ACDC, ACDC Operations Pty Ltd (**ACDC Metals**) and Oro Plata dated 1 August 2022 to acquire 80% of EL7544 and EL7545, including the issue of 6,168,139 Shares and 1,500,000 Class A Performance Rights and the payment of \$16,372 by ACDC to Oro Plata;
- b) satisfaction of all of the conditions precedent and completion of the Goschen Tenement Sale Agreement between ACDC, ACDC Metals and Providence dated 20 September 2022 to acquire 80% of EL5278, including the issue of 6,586,991 Shares and 1,500,000 Class B Performance Rights and the payment of \$32,602 by ACDC to Providence; and
- c) satisfaction of all of the conditions precedent and has completed the acquisition of 100% of the issued share capital in Fish Hawk Resources Pty Ltd from the Fish Hawk Vendors in accordance with the Fish Hawk Share Sale Agreement, including the issue of 2,500,000 Shares to Fish Hawk Vendors and the payment of \$50,000 by ACDC to Fish Hawk.

5. No Impediment

Subject to paragraph 6, ACDC confirms that there are no legal, regulatory, statutory or contractual impediments to the Company entering the Tenements (as defined in the Prospectus) and carrying out exploration activities such that the Company will be able to spend its cash in accordance with its commitments for the purposes of ASX Listing Rule 1.3.2(b).

6. Access Arrangements

There is a potential requirement for ACDC to negotiate access arrangements with freehold landowners in order to conduct further stages of exploration activity, considering that the Tenements consist mostly of freehold land or private land.

The Company's immediate exploration targets do not fall within the freehold area and a majority of its planned on-ground exploration and drilling will not be conducted on private land. The abundance of public roads bisecting at the Goschen Central Project, the Douglas Project and the Watchem Project (the **Projects**) provides ACDC with sufficient access to undertake drilling for a period of at least 2 years.

Prior to negotiating with landowners for access, sufficient drilling can be undertaken on roadsides across all three Projects to obtain detailed geological information and samples for metallurgical testing and monazite testing. ACDC can incur 100% of its drilling budget (refer to Section 5.5.1 of the Prospectus) on roadside drilling for all three Projects and can incur 100% of its funds allocated to exploration at all three Projects within the first 2 years of the Company's admission to the official list of ASX based on roadside drilling.

Based on drilling results obtained from roadside drilling, the Company expects to enter into land access agreements with freehold landowners within the first quarter of 2023. ACDC has identified the relevant freehold landowners and has been introduced to them. Further, ACDC has engaged community consultants to liaise with the relevant freehold landowners and with local businesses.

ACDC takes relationships with freehold landowners very seriously, is very eager to work cooperatively with the local community. ACDC is confident that due to commercial drivers, land access agreements will be entered into in the ordinary course of business. ACDC does not anticipate any issues with its dealings with any of the freehold landowners and it is highly likely that ACDC will be able to enter into land access agreements with the freehold landowners on the Tenements.

In the highly unlikely event that ACDC is unable to enter into land access agreements with one or more freehold landowners, ACDC can make an application at VCAT to obtain a compensation determination. Such an order may be obtained on the basis that the Crown owns the minerals and private landowners do not have absolute power to control access over its land for exploration activities. Once compensation has been determined by VCAT, exploration activities will be able to be undertaken.

Additionally, given the scale of the Projects, it is unlikely that all of the freehold landowners will not consent to provide access. In the unlikely event that ACDC is unable to enter into a land access agreement with one or two freehold landowners and a VCAT determination is required, there are many other project areas where drilling can be conducted on the Tenements.

7. ASX Waiver and Confirmation

7.1 Waiver

The Company confirms that:

- a) ASX has granted the Company a waiver from ASX Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to:
 - i. issue 6,250,000 performance rights to Medallion Resources Ltd, Oro Plata Pty Ltd and Providence Gold and Minerals Pty Ltd with a nil exercise price (Performance Rights); and
 - ii. issue 600,000 deferred consideration shares to vendor shareholders of Fish Hawk Resources Pty Ltd (**Deferred Consideration Shares**, and together with the Performance Rights, the **Performance Securities**),
 on condition that the material terms and conditions of the Performance Securities are clearly disclosed in the Company's Prospectus; and
- b) ASX has confirmed that the terms of the:
 - i. 6,250,000 Performance Rights issued to Medallion Resources Ltd, Oro Plata Pty Ltd and Providence Gold and Minerals Pty Ltd with a nil exercise price; and
 - ii. 600,000 Deferred Consideration Shares issued to the vendor shareholders of Fish Hawk Resources Pty Ltd,
 are appropriate and equitable for the purposes of Listing Rule 6.1.

7.2 Basis for Waiver Decision

If an entity seeking admission to the official list has options on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports listing rule 2.1 condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.

8. Facts/Reasons for granting the Waiver

The Company will have Performance Securities on issue which will represent 9.47% of the ordinary shares on issue at the time of the Company's admission on an undiluted basis. The Performance Rights are fixed in number, will be held by Medallion Resources Ltd, Oro Plata Pty Ltd and Providence Gold and Minerals Pty Ltd and will be classified by ASX as restricted securities for a period of 24 months following quotation of the Company's securities. The Deferred Consideration Shares are fixed in number, will be held by the vendors of Fish Hawk Resources Pty Ltd and will be classified as restricted securities for a period of 12 months following quotation of the Company's securities. The Performance Securities are therefore unlikely to have any short-



term impact on the trading price of the Company's shares. The Performance Securities will convert into ordinary shares in the Company on a one-for-one basis on the vesting date on satisfaction of the relevant hurdles.

The waiver is granted on the basis that the existence of Performance Securities will not undermine the integrity of the 20 cent rule. A summary of the material terms and conditions of the Performance Securities are clearly disclosed in the Prospectus.

This announcement has been approved for release by the Board.

For further information please contact:
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