# QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 30 JUNE 2023

## Highlights

- **High-Grade Drill Intercepts at Webbs Consol Silver Project**
  - Drill hole WCS047 at the Tangoa West Lode returned highly significant results:
    - **24.5m @ 1,450 g/t AgEq[1]** from 144.7m including;
      - **19.3m @ 1,756 g/t AgEq[1]** from 148.9m including;
      - **13.9m @ 2,388 g/t AgEq[1]** from 153.6m including;
      - **5.4m @ 2,749 g/t AgEq[1]** from 153.6m including;
      - **2.3m @ 3,495 g/t AgEq[1]** from 155.7m and;
      - **5.7m @ 2,680 g/t AgEq[1]** from 161.8m including;
      - **2.0m @ 3,210 g/t AgEq[1]** from 163.0m
  - Drill hole WCS050 at the Tangoa West Lode returned highly significant results:
    - **65.8m @ 904 g/t AgEq[1]** from 104.4m including;
      - **37.2m @ 1,142 g/t AgEq[1]** from 128.0m including;
      - **18.6m @ 1,671 g/t AgEq[1]** from 142.4m including;
      - **7.2m @ 2,246 g/t AgEq[1]** from 150.4m
  - Drill hole WCS052 at the Tangoa West Lode returned highly significant results:
    - **149.2m @ 627 g/t AgEq[1]** from 98.0m including;
      - **14.0m @ 933 g/t AgEq[1]** from 101.0m including;
      - **4.6m @ 1,494 g/t AgEq[1]** from 107.4m and;
      - **4.4m @ 1,520 g/t AgEq[1]** from 169.3m and;
      - **7.9m @ 2,519 g/t AgEq[1]** from 202.2m and;
      - **14.2m @ 927 g/t AgEq[1]** from 213.7m including;
      - **7.9m @ 1,228 g/t AgEq[1]** from 219.1m
    - **40.2m @ 804 g/t AgEq[1]** from 279.0m including;
      - **18.6m @ 1,131 g/t AgEq[1]** from 299.4m including;
      - **5.0m @ 1,611 g/t AgEq[1]** from 308.0m
  - High-Grade Mineralisation has now been intercepted from surface down to a vertical depth of at least 280m at Webbs Consol Silver-Base Metals Project's Tangoa West Lode and remains open ended.
- **Identification of Multiple New Targets at Webbs Consol**
  - New targets have been defined through geophysics and initial geochemistry in addition to several high-grade silver-base metal lodes discovered to date through drilling.
  - Extensive multi-discipline geophysical surveys have been completed defining a further 6 targets in areas with no historical mining and often under cover.

Lode Resources Ltd (**ASX:LDR**) ("Lode" or the "Company") is pleased to provide an overview of the Company's activities for the period ended 30 June 2023 ("Quarter", "Reporting Period") to accompany the Appendix 5B.

**Lode Managing Director, Ted Leschke, commented:** *"Exploration activities during the June quarter have shown that the Webbs Consol high-grade silver-base metal lodes have the potential to be both substantially thick and to extend to a depth of at least 280m, and remains open. The success of LDR's drilling to date at Webbs Consol has gone a long way to proving how underexplored the New England Fold Belt is. The lack of historical drilling is one of the main reasons for LDR focussing on this belt which arguably has similar prospectivity to that of the Lauchlan Fold Belt".*

## High Grade Drill Intercepts at Webbs Consol Silver Project

During the Quarter, Lode provided a drilling update from the Company's 100% owned Webbs Consol Silver-Base Metal Project ("Webbs Consol") located in the New England Fold Belt in north-eastern New South Wales.

Ongoing drilling at Tangoa West Lode has returned a number of exceptional intercepts with consistent high-grade mineralisation over substantial widths. These include **24.5m @ 1,450 g/t AgEq[1]** from 144.7m in drill hole WCS047. This drill intercept represents the 3rd highest downhole endowment of all drill intercepts to date at Tangoa West.

The WCS047 drill intercept comprises two very high-grade zones with a cumulative **11.1m @ 2,714 g/t AgEq[1]** including a cumulative **4.3m @ 3,362 g/t AgEq[1]**. It also contains the highest individual grade interval to date at Webbs Consol being **0.6m @ 5,291 g/t AgEq[1]** within **2.3m @ 3,495 g/t AgEq[1]** within 5**.4m at 2,749 g/t AgEq[1]**. Details of this intercept are summarised in Table 1 below.

- Drill hole WCS047 returned highly significant results:
    - **24.5m @ 1,450 g/t AgEq[1]** from 144.7m including;
        - **19.3m @ 1,756 g/t AgEq[1]** from 148.9m including;
        - **13.9m @ 2,388 g/t AgEq[1]** from 153.6m including;
        - **5.4m @ 2,749 g/t AgEq[1]** from 153.6m including;
        - **2.3m @ 3,495 g/t AgEq[1]** from 155.7m and;
        - **5.7m @ 2,680 g/t AgEq[1]** from 161.8m including;
        - **2.0m @ 3,210 g/t AgEq[1]** from 163.0m
    - Exceptional individual metal grades:
        - **Silver: 24.5m @ 389g/t Ag**, including cumulative **11.1m @ 753 g/t Ag**
        - **Zinc: 24.5m @ 16.00% Zn**, including cumulative **11.1m @ 29.66% Zn**
        - **Lead: 24.5m @ 1.56% Pb**, including **11.1m @ 2.77% Pb**
        - **Copper: 24.5m m @ 0.24% Cu**, including **11.1m @ 0.45% Cu**

**Table 1. Drill hole WCS047 intercept assay summary**

| Hole | From (m) | To (m) | Interval (m) | AgEq[1] (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (g/t) | Endowment (AgEq g/t.m) |
|---|---|---|---|---|---|---|---|---|---|---|
| WCS047 | 144.7 | 169.2 | **24.5** | **1,450** | **389** | 1.56 | **16.00** | 0.24 | 0.02 | |
| incl. | 148.9 | 168.2 | **19.3** | **1,756** | **492** | 1.82 | **19.11** | 0.28 | 0.01 | |
| incl. | 153.6 | 167.5 | **13.9** | **2,388** | **664** | 2.39 | **26.14** | 0.37 | 0.02 | |
| incl. | 153.6 | 159.0 | **5.4** | **2,749** | **619** | 3.37 | **31.37** | 0.86 | 0.03 | **35,519** |
| incl. | 155.7 | 158.0 | **2.3** | **3,495** | **944** | 2.94 | **38.68** | 0.73 | 0.02 | |
| and | 161.8 | 167.5 | **5.7** | **2,680** | **880** | 2.21 | **28.03** | 0.06 | 0.01 | |
| incl. | 163.0 | 165.0 | **2.0** | **3,210** | **1,300** | 3.08 | **29.40** | 0.03 | 0.01 | |

Another exceptional intercept is **65.8m @ 904 g/t AgEq[1]** from 104.4m in drill hole WCS050. This drill intercept represents the 2nd highest downhole endowment of all drill intercepts received to date at Tangoa West. The WCS050 drill intercept comprises internal higher-grade zones of **37.2m @ 1,142 g/t AgEq1** including **18.6m @ 1,671 g/t AgEq[1]** including **7.2m @ 2,246 g/t AgEq[1]**. Details of this intercept are summarised in Table 2 below.

- Drill hole WCS050 returned highly significant results:
    - **65.8m @ 904 g/t AgEq[1]** from 104.4m including;
        - **37.2m @ 1,142 g/t AgEq[1]** from 128.0m including;
        - **18.6m @ 1,671 g/t AgEq[1]** from 142.4m including;
        - **7.2m @ 2,246 g/t AgEq[1]** from 150.4m
    - Exceptional individual metal grades:
        - **Silver: 65.8m @ 266g/t Ag**
        - **Zinc: 65.8m @ 2.38% Zn**
        - **Lead: 65.8m @ 13.56% Pb**
        - **Copper: 65.8m m @ 0.42% Cu**

**Table 2. Drill hole WCS050 intercept assay summary**

| Hole | From (m) | To (m) | Interval (m) | AgEq[1] (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (g/t) | Endowment (AgEq g/t.m) |
|---|---|---|---|---|---|---|---|---|---|---|
| WCS050 | 104.4 | 170.2 | **65.8** | **904** | **266** | **13.56** | 2.38 | 0.42 | 0.04 | **59,505** |
| incl. | 128.0 | 165.2 | **37.2** | **1,142** | **368** | **18.27** | 2.07 | 0.43 | 0.03 | |
| incl. | 142.4 | 161.0 | **18.6** | **1,671** | **543** | **27.74** | 2.73 | 0.46 | 0.03 | |
| incl. | 150.4 | 157.6 | **7.2** | **2,246** | **770** | **35.84** | 4.08 | 0.47 | 0.03 | |

A further solid intercept at Tangoa West is **44.2m** @ **264 g/t AgEq[1]** from 81.8m in drill hole WCS049 and comprises internal higher-grade zones of **18.0m** @ **376 g/t AgEq[1]** including **9.0** @ **441 g/t AgEq[1]**. Details of this intercept are summarised in Table 3 below.

**Table 3. Drill hole WCS049 intercept assay summary**

| Hole | From (m) | To (m) | Interval (m) | AgEq[1] (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (g/t) | Endowment (AgEq g/t.m) |
|---|---|---|---|---|---|---|---|---|---|---|
| WCS049 | 81.8 | 126.0 | **44.2** | **264** | **68** | **4.16** | 0.56 | 0.20 | 0.03 | **11,656** |
| incl. | 95.0 | 113.0 | **18.0** | **376** | **102** | **6.20** | 0.53 | 0.33 | 0.03 | |
| incl. | 104.0 | 113.0 | **9.0** | **441** | **117** | **7.15** | 0.77 | 0.37 | 0.03 | |

The estimated true intercept width for WCS047, WCS049 and WCS050 is 12m, 31m and 38m respectively.

## High Grade Mineralisation Extended to 280m Vertical Depth at Webbs Consol

Also during the quarter, Lode announced drilling at Tangoa West Lode intercepted high-grade mineralisation down to at least a vertical depth of 280m at Webbs Consol Silver-Base Metals Project's Tangoa West Lode. Drill hole WCS052 returned a composite intercept of **221.2m** @ **569 g/t AgEq[1]**. This represents the highest downhole endowment of all drill intercepts received to date at Tangoa West.

High-Grade Mineralisation has now been intercepted from surface down to a vertical depth of at least 280m in drilling to date at the Webbs Consol Silver-Base Metals Project's Tangoa West Lode and remains open ended.

- Drill hole WCS052 has returned a composite intercept of **221.2m** @ **569 g/t AgEq[1]** from 98m including two high-grade zones being **149.2m** @ **627 g/t AgEq[1]** from 98.0m and **40.2m** @ **804 g/t AgEq[1]** from 279.0m.
    - **149.2m** @ **627 g/t AgEq[1]** from 98.0m including;
        - **14.0m** @ **933 g/t AgEq[1]** from 101.0m including;
        - **4.6m** @ **1,494 g/t AgEq[1]** from 107.4m and;
        - **4.4m** @ **1,520 g/t AgEq[1]** from 169.3m and;
        - **7.9m** @ **2,519 g/t AgEq[1]** from 202.2m and;
        - **14.2m** @ **927 g/t AgEq[1]** from 213.7m including;
        - **7.9m** @ **1,228 g/t AgEq[1]** from 219.1m
    - **40.2m** @ **804 g/t AgEq[1]** from 279.0m including;
        - **18.6m** @ **1,131 g/t AgEq[1]** from 299.4m including;
        - **5.0m** @ **1,611 g/t AgEq[1]** from 308.0m

Contained within these two intercepts are multiple very high-grade zones which constitute a cumulative **59.2m** @ **1,249 g/t AgEq[1]**.

Drill hole WCS052 is the deepest hole yet at the Webbs Consol Silver-Base Metals Project. **Drilling to date has now shown high-grade mineralisation extends from surface to at least 280m vertical depth and remains open.** This demonstrates the serious mineral endowment of the Tangoa West lode and has strong implications for the entire Webbs Consol's silver base metals system.

**Table 4. Drill hole WCS052 intercept assay summary**

| Hole | From (m) | To (m) | Interval (m) | AgEq[1] (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (g/t) | Endowment (AgEq g/t.m) |
|---|---|---|---|---|---|---|---|---|---|---|
| WCS052 | 98.0 | 319.2 | **221.2** | **569** | 139 | 2.14 | 5.60 | 0.14 | 0.02 | **125,857** |

**Table 5. Drill hole WCS052 high-grade zone A assay summary**

| Hole | From (m) | To (m) | Interval (m) | AgEq[1] (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (g/t) | Endowment (AgEq g/t.m) |
|---|---|---|---|---|---|---|---|---|---|---|
| WCS052A | 98.0 | 247.2 | **149.2** | **627** | 183 | 3.13 | 5.19 | 0.19 | 0.02 | |
| incl. | 101.0 | 115.0 | **14.0** | **933** | 135 | 8.04 | 7.56 | 0.66 | 0.01 | |
| incl. | 107.4 | 112.0 | **4.6** | **1,494** | 213 | 9.38 | 14.19 | 0.96 | 0.01 | |
| and | 169.3 | 173.7 | **4.4** | **1,520** | 430 | 0.82 | 16.13 | 0.65 | 0.03 | **93,502** |
| and | 202.2 | 210.1 | **7.9** | **2,519** | 809 | 0.55 | 27.50 | 0.03 | 0.02 | |
| and | 213.7 | 228.0 | **14.3** | **927** | 353 | 0.92 | 8.73 | 0.06 | 0.02 | |
| incl. | 219.1 | 227.0 | **7.9** | **1,227** | 481 | 1.20 | 11.34 | 0.07 | 0.03 | |

**Table 6. Drill hole WCS052 high-grade zone B assay summary**

| Hole | From (m) | To (m) | Interval (m) | AgEq[1] (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Cu (%) | Au (g/t) | Endowment (AgEq g/t.m) |
|---|---|---|---|---|---|---|---|---|---|---|
| WCS052B | 279.0 | 319.2 | **40.2** | **804** | 83 | 0.16 | 11.56 | 0.04 | 0.01 | |
| incl. | 299.4 | 318.0 | **18.6** | **1,131** | 93 | 0.16 | 16.77 | 0.02 | 0.01 | **32,302** |
| incl. | 308.0 | 313.0 | **5.0** | **1,611** | 71 | 0.11 | 24.94 | 0.04 | 0.01 | |

At this stage it is not known if WCS052's two high-grade intercepts represent two separate high-grade lodes or, alternatively, a single high-grade lode with a wavering longitudinal boundary or an internal highly altered pendant. Either way, **mineralisation at Tangoa West remains open at depth**. Follow-up drill holes are planned to further delineate the high-grade Tangoa West load at depth.

**Figure 1. Tangoa West Lode plan showing holes drilled to date**

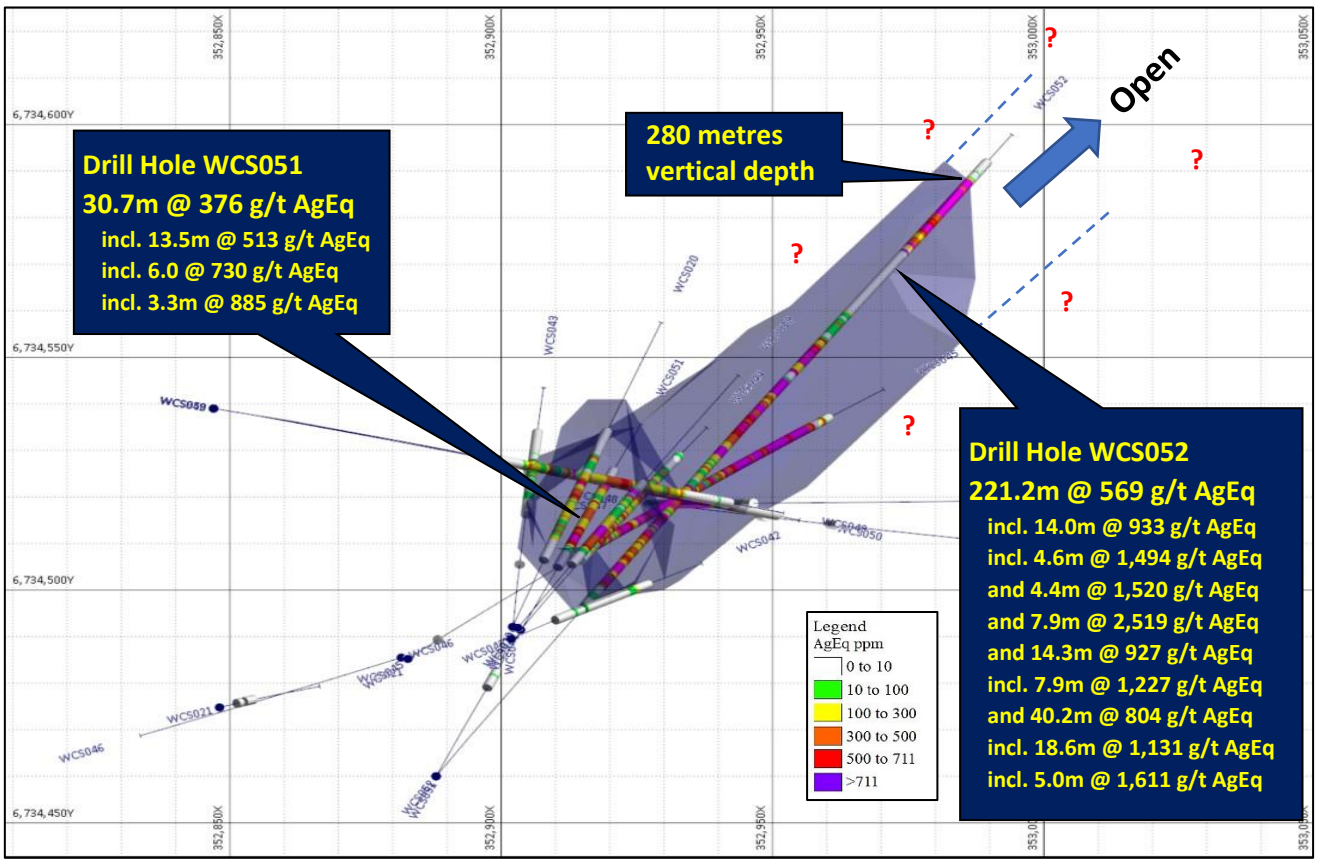


**Figure 2. Tangoa West Lode section showing holes drilled to date. (Looking west)**

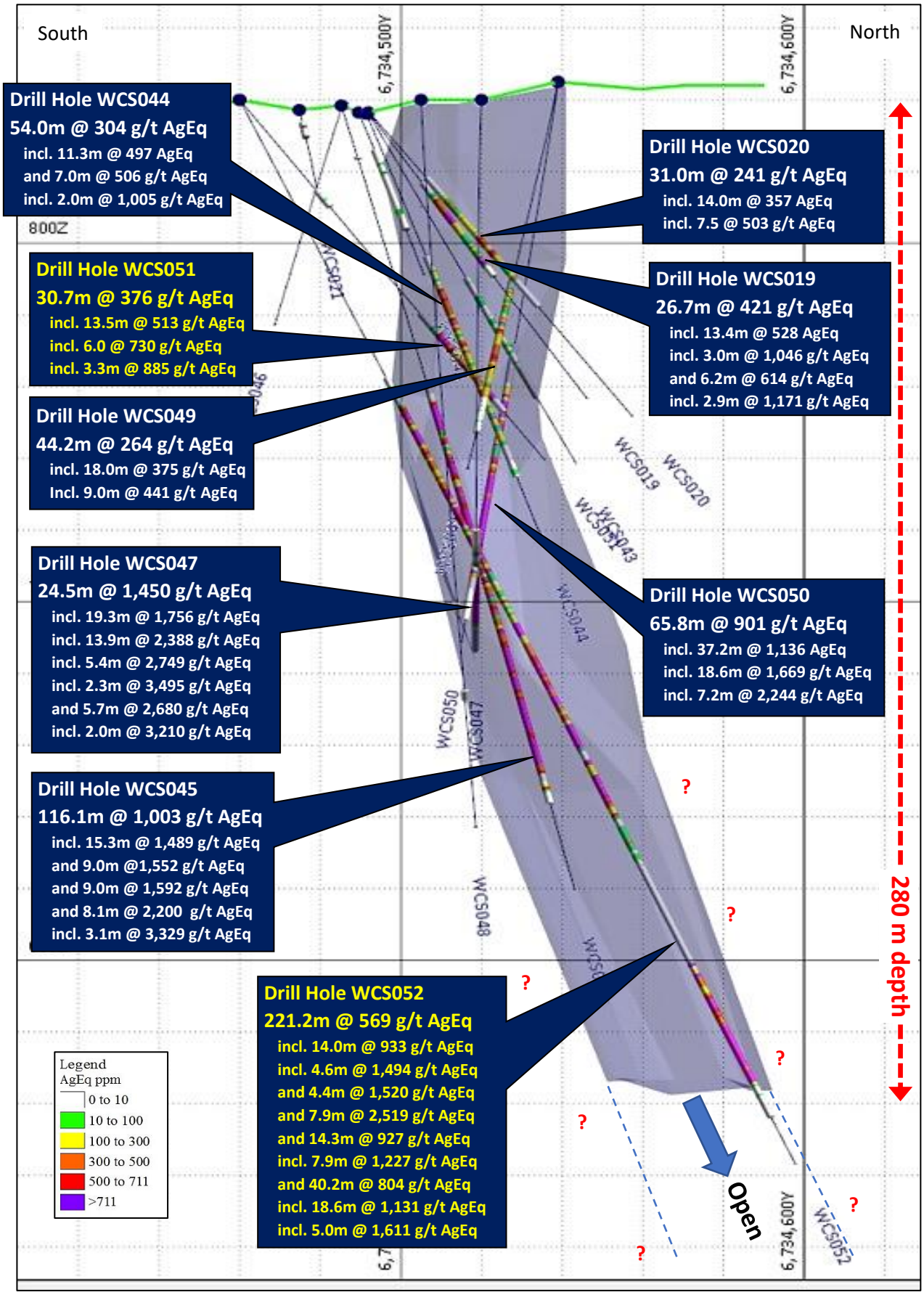
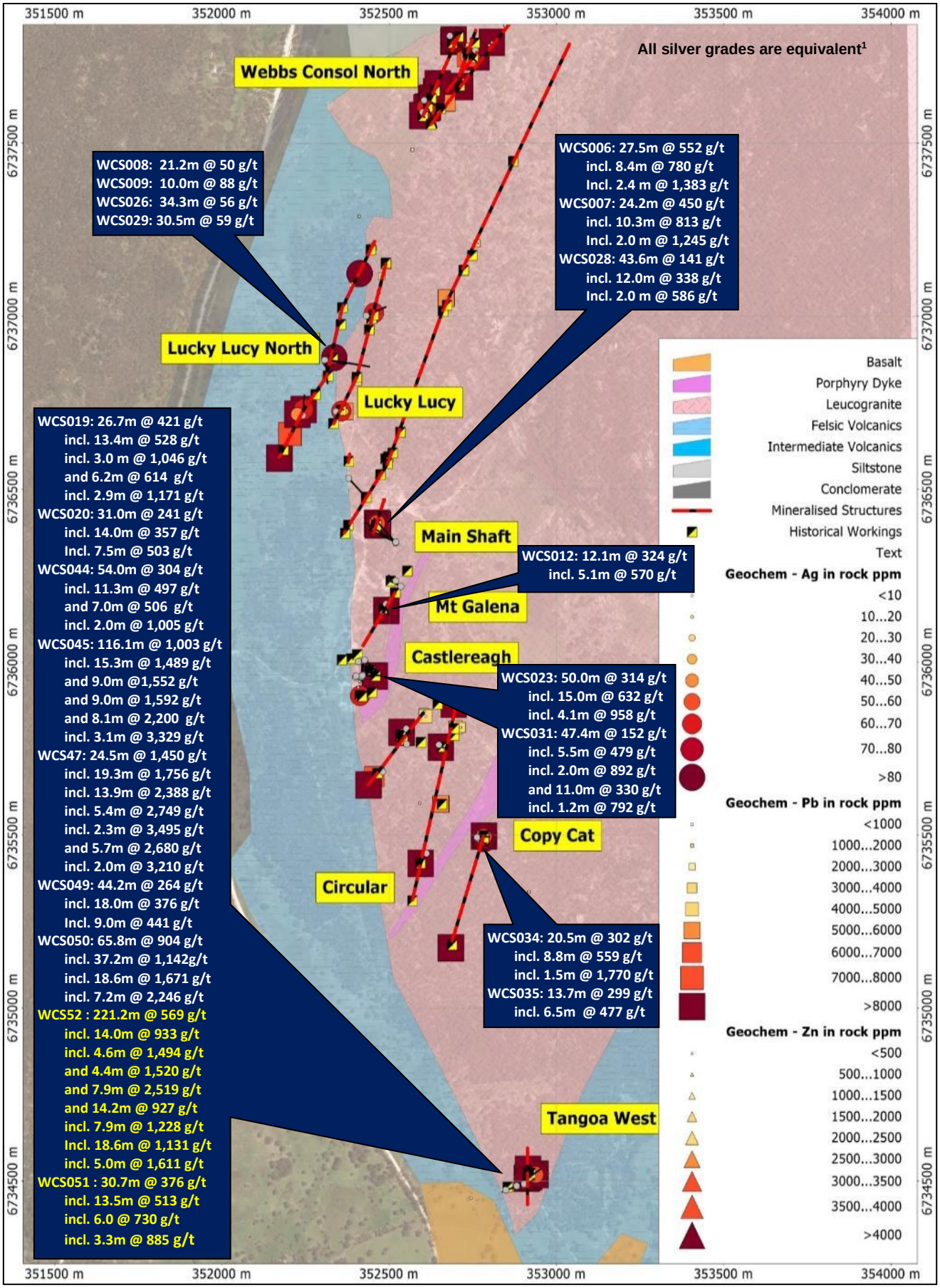


**Figure 3. Main drill intercepts to date at the Webbs Consol Silver-Base Metals Project**



## New Targets Defined at Webbs Consol

Subsequent to the Reporting Period, Lode announced extensive multi-discipline geophysical work had been carried out. This includes an ongoing Loupe TEM (Time Domain Electromagnetic) survey which revealed multiple new targets in addition to high grade silver base metal lodes discovered to date through drilling. These targets have a stronger geophysical signature than Tangoa West and may indicate additional high-grade silver-base metal deposits.

The Loupe Survey being carried out is on a tight 20m line spacing. Loupe is a ground-based time domain electromagnetic system designed to give high quality, high spatial resolution data near surface. Multiple conductive anomalies have been identified, potentially representing metal bearing sulphides and many are in areas with no historical mining and often with extensive cover. These new targets have been prioritised and are being methodically followed-up with geochemical work.

The first of these new geophysical targets is drill ready and has revealed **elevated metal values both in soils and outcrop within a 300m x 100m area.**

- Soil sampling has return assay values up to **5.02g/t Ag, 1,780ppm Pb, 400ppm Zn.**
- Rock chip sampling has return values up to **252g/t Ag, 2.30% Pb, 0.31% Zn.**

The soil and rock chip sample results are considered to be highly anomalous with Zn values being unusually high considering Zn is almost always depleted at surface due to Zn high mobility during chemical weathering. Given the success of this initial follow-up geochemistry, several other conductive anomalies will be prioritised for similar testing via soil, rock sampling and drilling where appropriate. Currently drilling is testing the Tangoa West Lode at depth.

**Figure 4. High Resolution Loupe Survey (TEM CH1-X)**

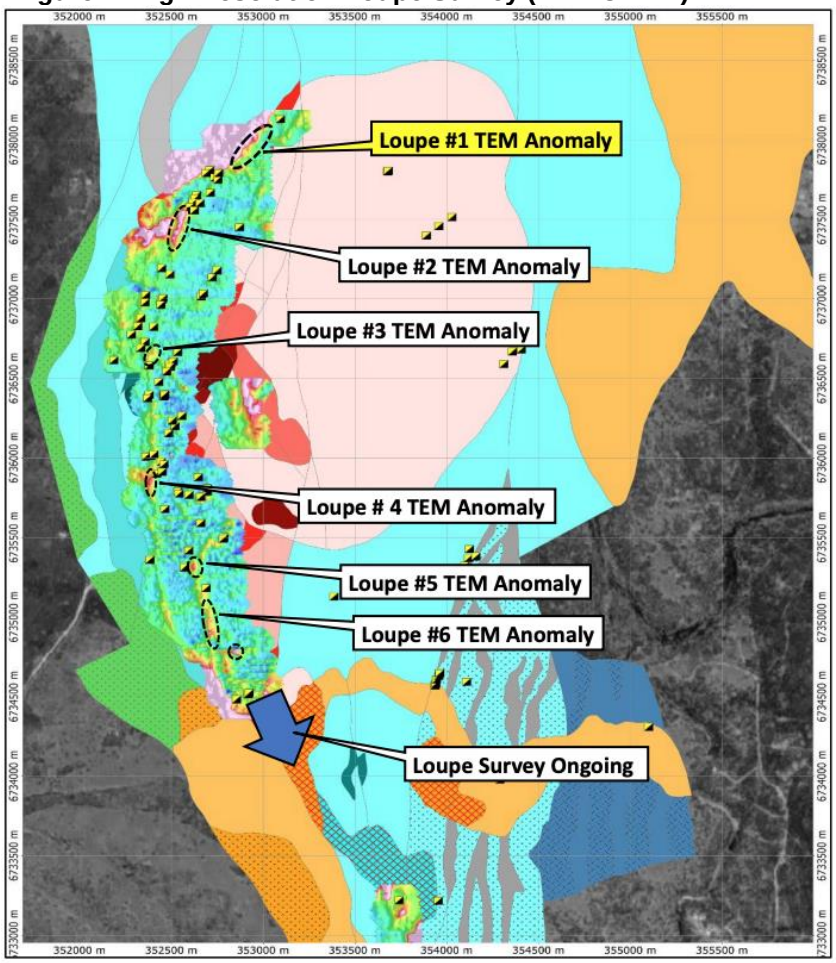


**Figure 5. Webbs Consol Far North Prospect (Loupe #1 TEM Anomaly)**

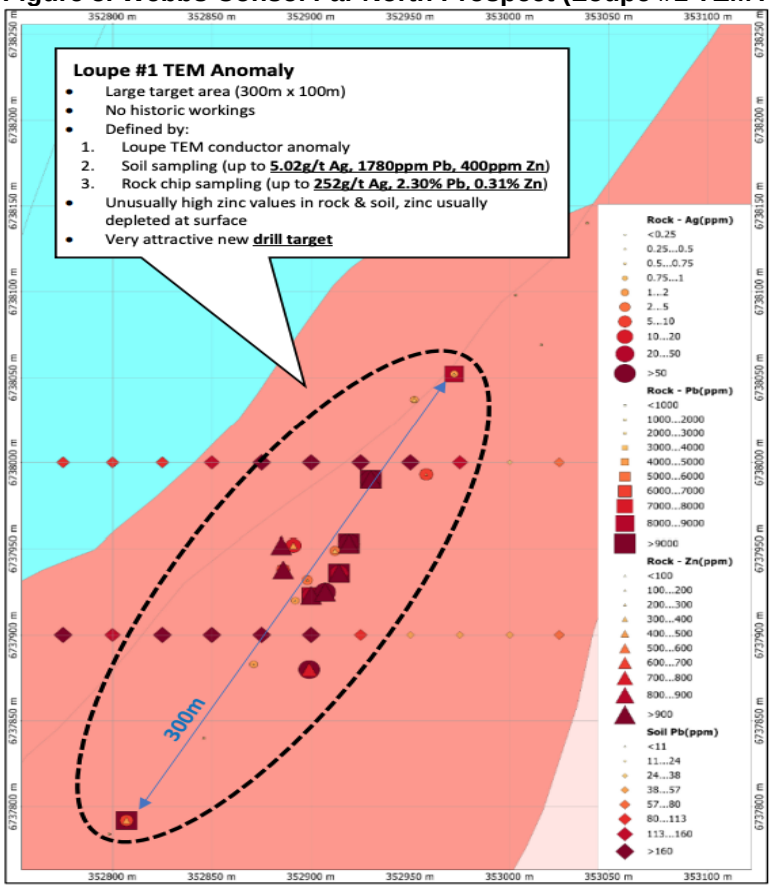



**Table 1. Prospect Target Development Sequence**

| | Drill Target Development | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Tangoa West | Main Shaft | Mt Galena | Castle-reagh | Copy Cat | Lucky Lucy Nth | Loupe #1 | Loupe #2 | Loupe #3 | Loupe #4 | Loupe #5 | Loupe #6 |
| Resources Drilling | | | | | | | | | | | | |
| Definition Drilling | ↑ | | | | | | | | | | | |
| Extension Drilling | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | | | | | | |
| Scout Drilling | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ↑ | | | | | |
| Rock Geochemistry | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Soil/Regolith Geochemistry | **Outcropping Mineralisation/Workings** | | | | | | ✓ | ↑ | ↑ | ↑ | ↑ | ↑ |
| Geophysics - Loupe | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

In additional to the ongoing Loupe TEM (Time Domain Electromagnetic) survey other multi-discipline geophysical work has been carried out by LDR recently. This includes a high-resolution drone magnetic survey and a high-resolution gravity survey.

The high-resolution drone magnetic survey and gravity survey have been interpreted by Kim Cook, an industry wide recognised geophysicist. The geophysical and geological data was integrated and consolidated with existing drilling and geological mapping.

Data from this work was used to define lithologies, alteration and structures in detail via a methodical step-by-step interpretation process with the aim of identifying those lithologies and structures that are prospective for hosting Webbs Consol style mineralisation.

Interpretations of the structural settings at Webbs Consol has determined that:

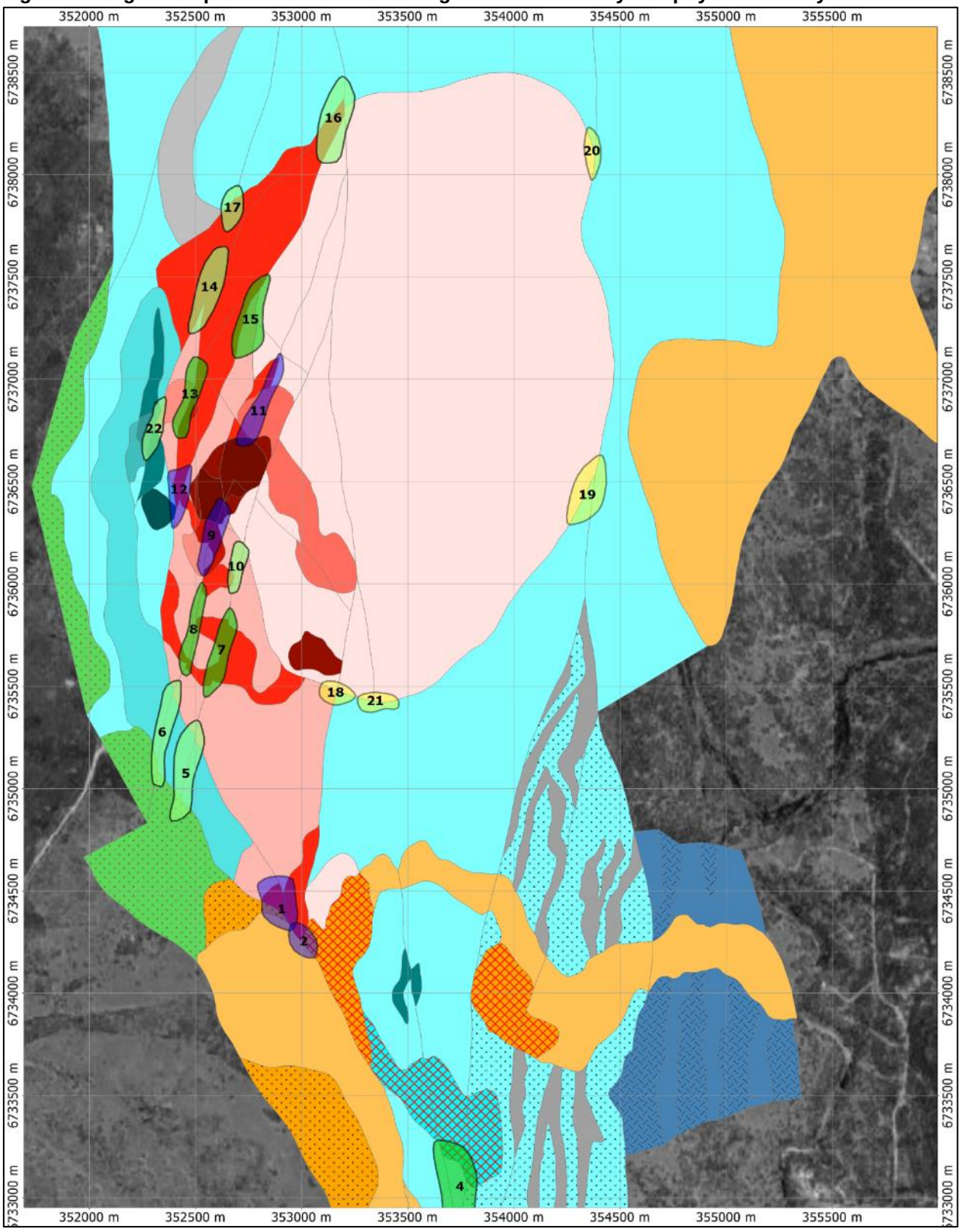
- An old/re-activated N-S fault corridor appears to be intersected by later conjugate NNE and NW faulting
- Re-activation of the N-S fault corridor appears to have occurred when the NNE and NW fault sets have been active.

A series of targets have been identified, largely governed by possible traps formed at the intersection of the N-S reactivated "fluid pathway" and the later NNE and NW faults acting as "traps". Of particular interest are those anomalies that are coincident with conductors as defined by the Loupe TEM (Time Domain Electromagnetic) survey.

**Table 2. Target Interpretation – Based on Magnetics and Gravity Geophysical Surveys**

| Rank | ID | Description |
|---|---|---|
| 1 | 1 | Intersection of key structures. Altered lithologies |
| 1 | 11 | Associated with key structure. Increased magnetic response, possibly due to alteration? |
| 1 | 12 | Intersection of key structures. Altered lithologies |
| 1 | 2 | Intersection of key structures. Altered lithologies |
| 1 | 9 | Associated with key structure. Increased magnetic response, possibly due to alteration? Chargeability anomaly (sulphides) |
| 2 | 13 | Intersections of key structure. Increased magnetic response, possibly due to alteration? Chargeability anomaly (sulphides) |
| 2 | 15 | Intersections of key structure. Altered lithologies. Increased magnetic response, possibly due to alteration? Chargeability anomaly (sulphides) |
| 2 | 3 | Intersection of key structures. |
| 2 | 4 | Intersection of key structures. Altered lithologies. Boundary of possible alteration. |
| 2 | 7 | Associated with key structure. Altered lithologies. Increased magnetic response, possibly due to alteration? Chargeability anomaly (sulphides) |
| 2 | 8 | Associated with key structure. Altered lithologies. Increased magnetic response, possibly due to alteration? Chargeability anomaly (sulphides) |
| 3 | 10 | Associated with key structure. Increased magnetic response, possibly due to alteration? |
| 3 | 14 | Intersections of key structure. Altered lithologies. Increased magnetic response, possibly due to alteration? |
| 3 | 22 | Intersections of key structure. Chargeability anomaly (sulphides) |
| 3 | 5 | Intersection of key structures. |
| 3 | 6 | Intersection of key structures. |
| 3 | 16 | Intersections of key structure. Increased magnetic response, possibly due to alteration? |
| 3 | 17 | Associated with key structure. Increased magnetic response, possibly due to alteration? |
| 5 | 18 | Intersection of key structures and granite boundary |
| 5 | 19 | Intersection of key structures and granite boundary |
| 5 | 20 | Intersection of key structures and granite boundary |
| 5 | 21 | Intersection of key structures and granite boundary |

**Figure 6. Target Interpretation – Based on Magnetics and Gravity Geophysical Surveys**



Recent reconnaissance fieldwork has discovered Ag-Pb-Zn mineralisation on the eastern side of Webbs Consol Leucogranite. Lode style mineralisation can be traced in sporadic outcrop over considerable distances in 3 separate zones with one extending for 1.3km.

The highest individual grades were 46g/t Ag, 1.20% Pb and 0.48% Zn. Note that grab sampling is a selective technique and grades are not necessarily representative of the underlying mineralisation. Mineralisation at surface is often depleted or enriched depending on chemical weathering processes.

LDR is encouraged by the discovery of mineralisation zones on the eastern side of the Webbs Consol Leucogranite and early-stage follow-up work will be carried out in the future . LDR's exploration licence EL8933 has been recently renewed in its entirety for the maximum permitted period of 6 years by the NSW government. EL8933 covers the entire Webbs Consol Leucogranite unit and, together with EL9454, LDR controls some 203 square kilometres in the Emmaville area. In total LDR controls 1,883 square kilometres in the prospective but highly underexplored New England Fold Belt.

**Figure 7. Newly Discovered Ag-Pb-Zn Mineralisation - Eastern Side of Webbs Consol Leucogranite.**

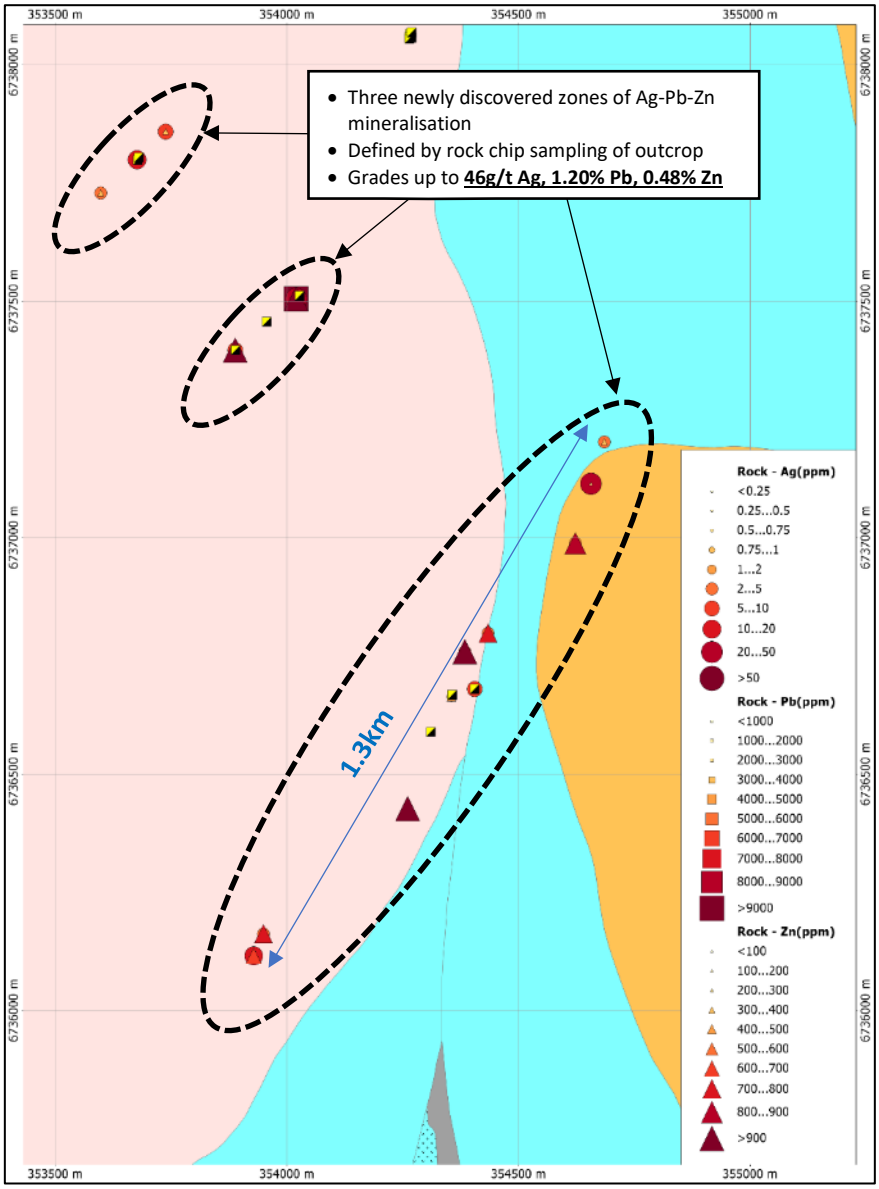



**Photo 1. Historical Mine Shaft**



**Photo 2. Strong chloritic alteration of leucogranite with pseudomorphs after sulphides**



**Figure 8. Detailed Geological Interpretation**

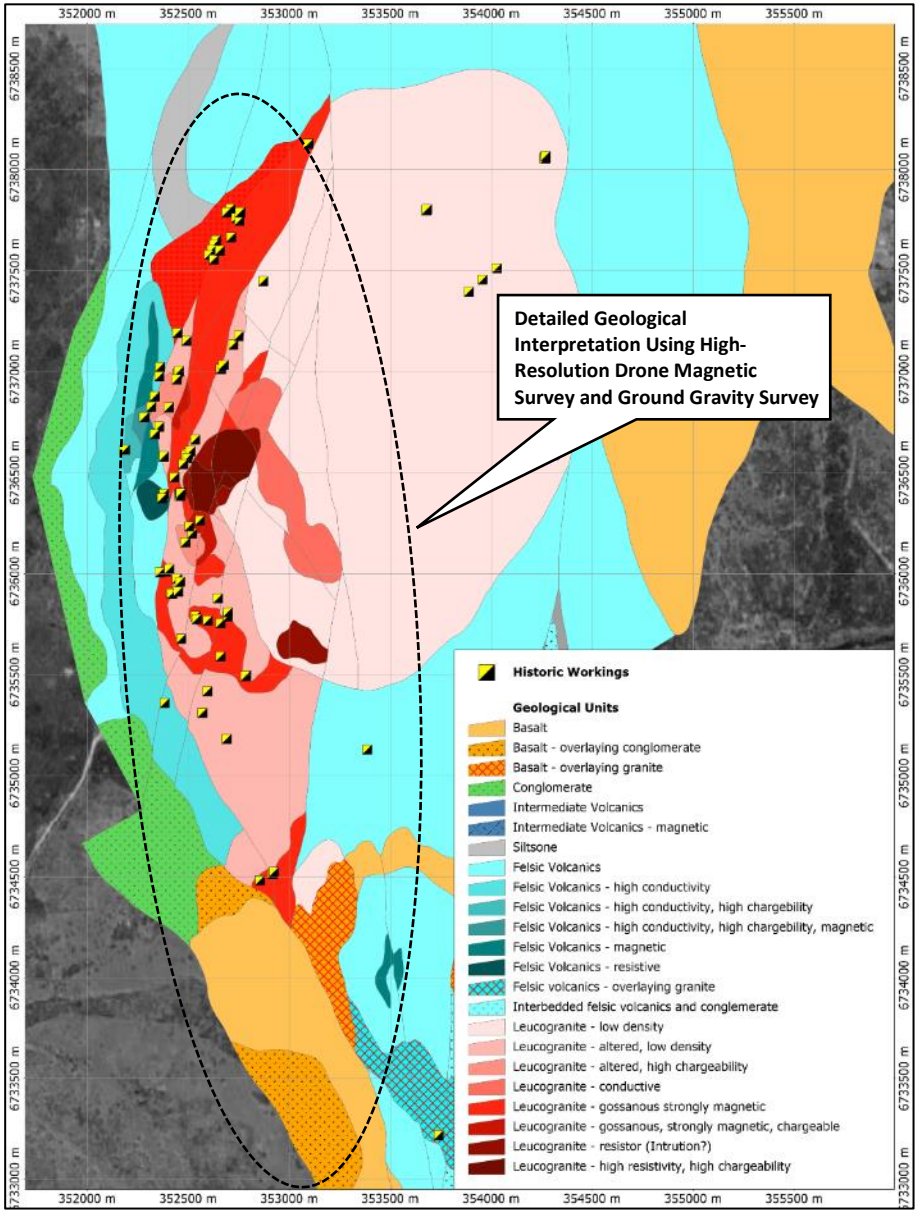



**Figure 9. Rock Geochemistry & Prospects**

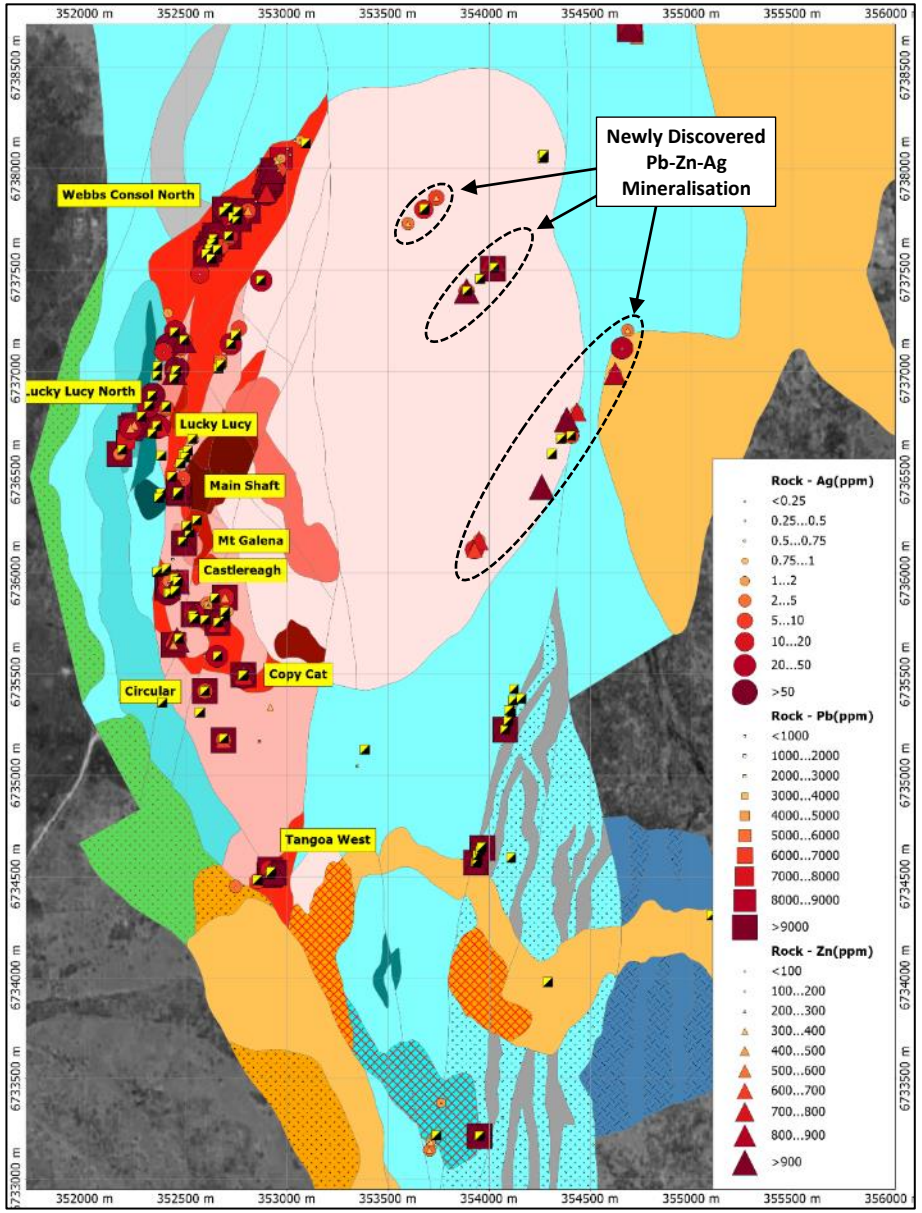


**Figure 10. High Resolution Loupe Survey (TEM CH4-X)**

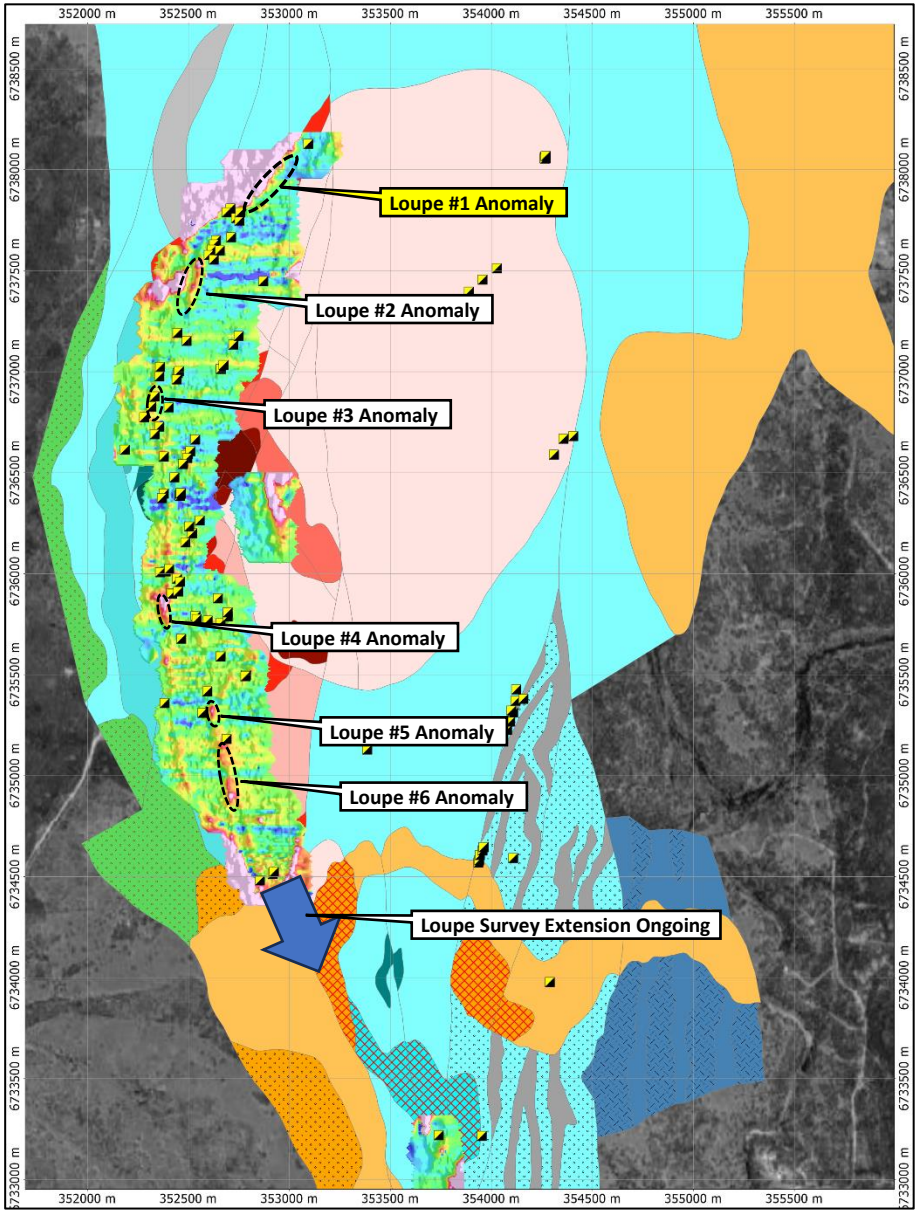
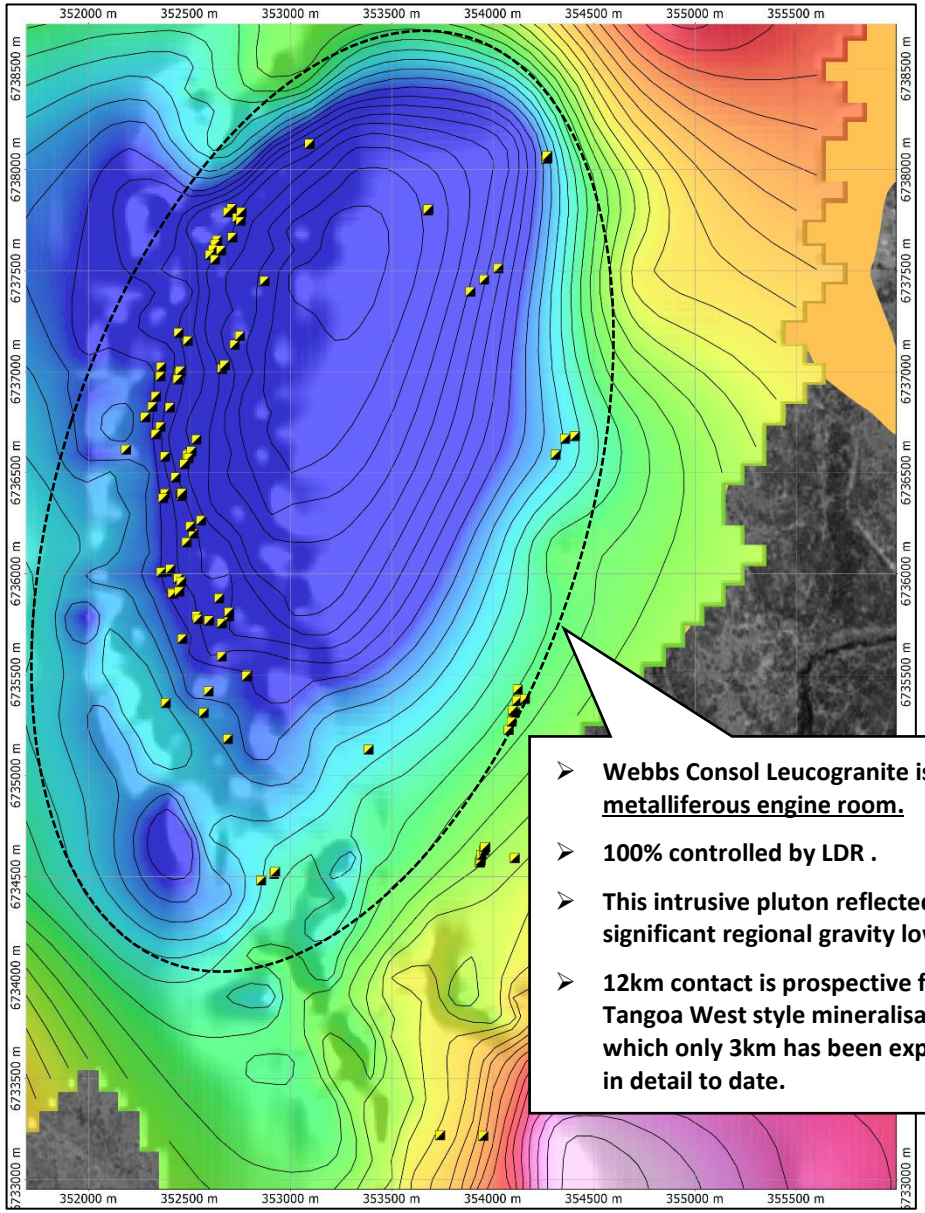



**Figure 11. Regional Gravity incorporating High Resolution Gravity Survey**



- Webbs Consol Leucogranite is the <u>metalliferous engine room.</u>
- 100% controlled by LDR .
- This intrusive pluton reflected as a significant regional gravity low.
- 12km contact is prospective for Tangoa West style mineralisation of which only 3km has been explored in detail to date.

**Figure 12. High Resolution Drone Magnetic Survey - RTP TDR**

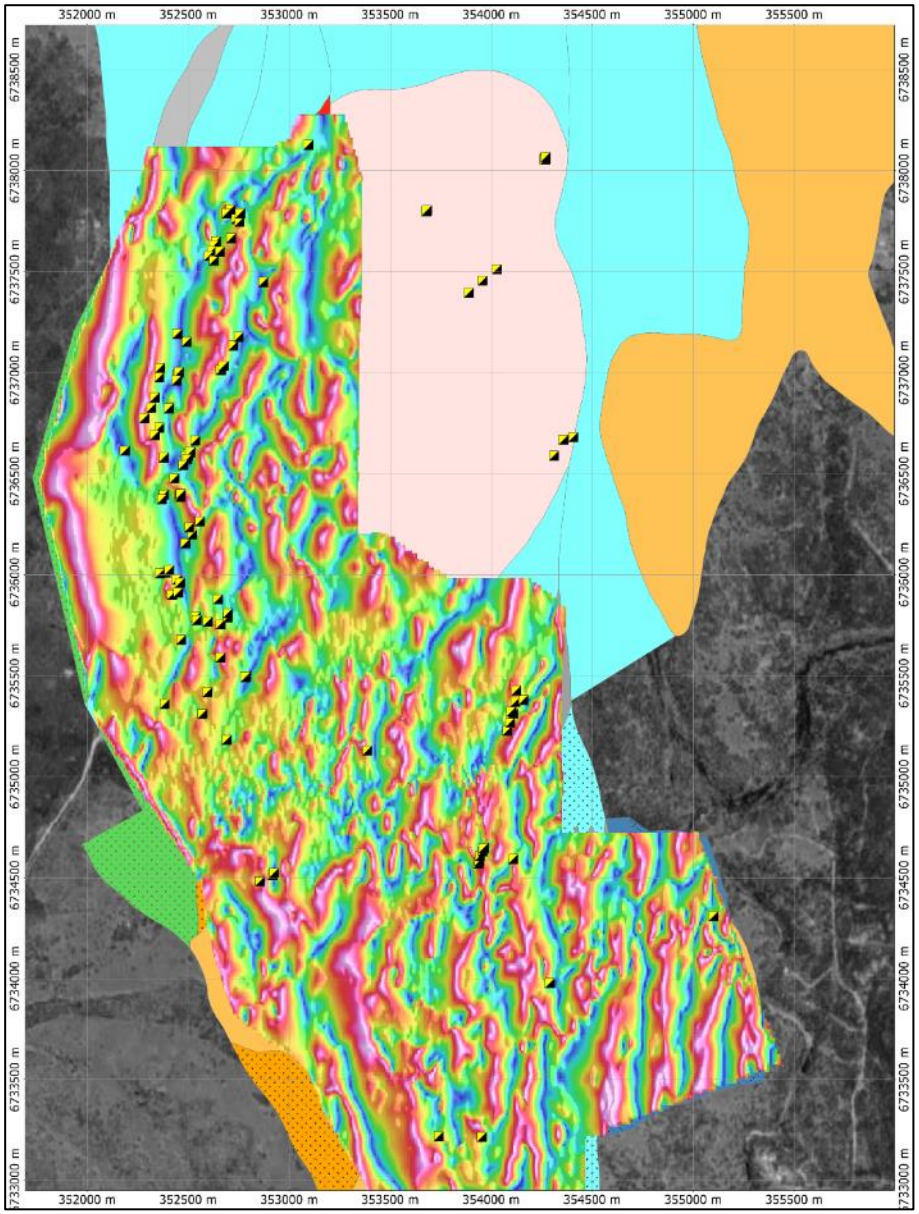
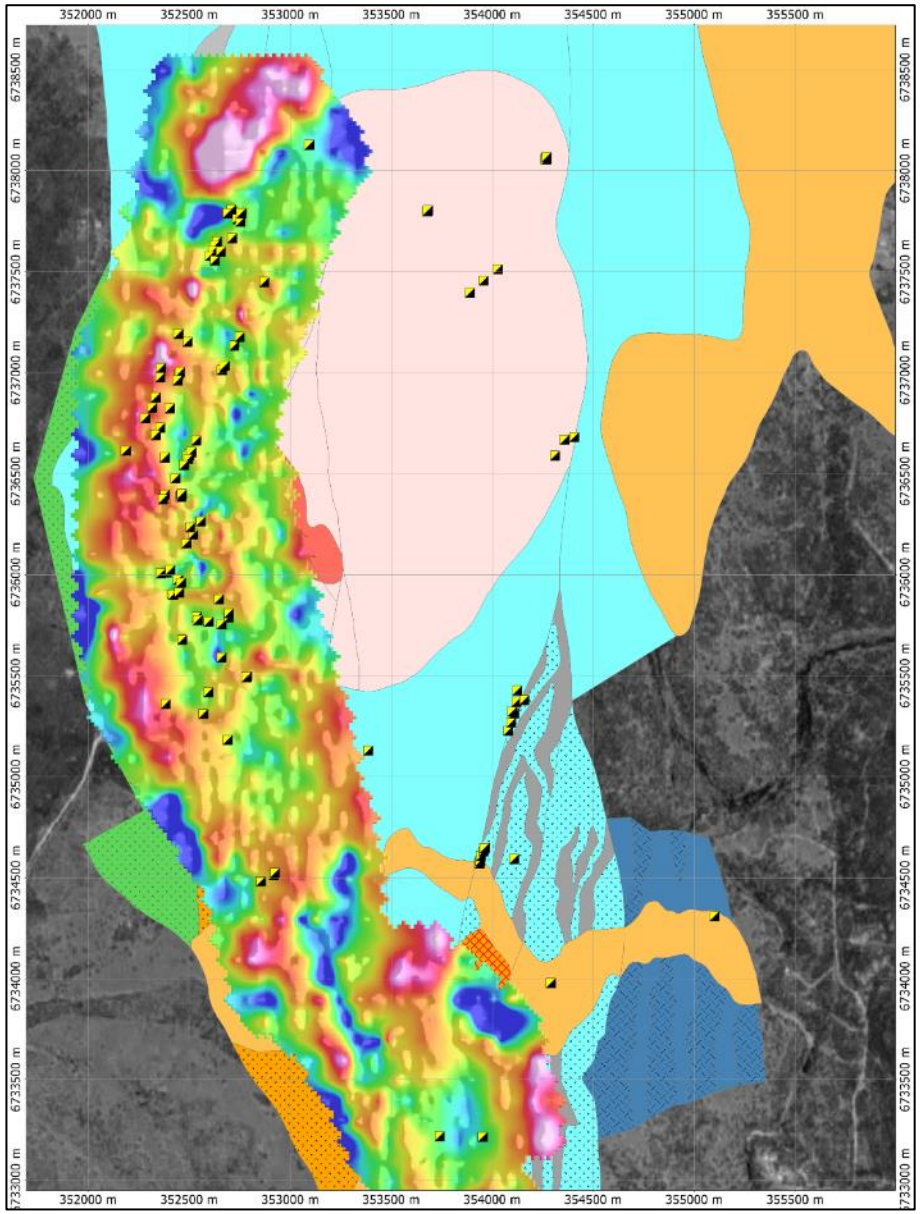



**Figure 13. High Resolution Gravity Survey - BG2.5_500ResE**



## Tenements – June Quarter 2023

| Project | Tenements as at 31 March 2023 | Tenements acquired during the quarter | Tenements disposed during the quarter | Tenements as at 30 June 2023 | % Interest | Units | Area ($km^2$) | Type of Tenements |
|---|---|---|---|---|---|---|---|---|
| Uralla | EL8980 | - | - | EL8980 | 100 | 80 | 237 | Exploration |
| Webbs | EL8933 | - | - | EL8933 | 100 | 16 | 48 | Exploration |
| Fender | EL9003 | - | - | EL9003 | 100 | 76 | 223 | Exploration |
| Elsinore | EL9004 | - | - | EL9004 | 100 | 32 | 95 | Exploration |
| Tea Tree | EL9084 | - | - | EL9084 | 100 | 24 | 71 | Exploration |
| Thor | EL9085 | - | - | EL9085 | 100 | 78 | 231 | Exploration |
| Uralla West | EL9087 | - | - | EL9087 | 100 | 22 | 65 | Exploration |
| Sandon | EL9319 | - | - | EL9319 | 100 | 273 | 758 | Exploration |
| Webbs | EL9454 | - | - | EL9454 | 100 | 53 | 155 | Exploration |
| | | | | | | **654** | **1,883** | |

## Corporate

No significant corporate activities have occurred during the quarter.

As of 30 June 2023, the Company had cash reserves of approximately $4.8million. Expenditure for the quarter ended 30 June 2023 was approximately $869k.

## Use of Funds

Total expenditure during the 12 months ended 30 June 2023 was A$3,125,000.

Exploration and evaluation expenditure was $1,878,000. All exploration expenditure was spent on exploration activities at Webbs Consol Silver Project. Activities included drilling, geophysics, mapping, rock and soil sampling.

Administration and corporate costs were $441,000 and staff costs were $542,000. Bond deposits, investments, and lease payments were $264,000

| Used of funds | Prospectus Year 2 Budget | 12 Months Actuals to 30 June 2023 |
|---|---|---|
| Webbs Consol (EL8933) | 321,600 | 1,819,078 |
| Uralla (EL8980 and EL9087) | 322,400 | 15,809 |
| Fender (EL9003) | 321,600 | 7,077 |
| Elsinore (EL9004) | 28,400 | 4,387 |
| Tea Tree (EL6016) | 20,000 | 3,907 |
| Thor (EL6020) | 20,000 | 6,712 |
| Sandon (EL9319) | - | 17,349 |
| Uralla West (EL9087) | - | 3,787 |
| Miscellaneous | 228,800 | - |
| Contingency 15% | 189,400 | - |
| **Total** | **$ 1,452,200** | **1,878,106** |

No expenditure was incurred during the quarter on mining production and development activities. During the June quarter, the aggregate amount of payment to related parties and their associates totalled $94,000 of payments to Directors or Director related entities for Directors' consulting fees and superannuation.

## About Lode Resources

Lode Resources is an ASX-listed explorer focused on the highly prospective but under-exploited New England Fold Belt in north eastern NSW. The Company has assembled a portfolio of brownfield precious and base metal assets characterised by:

- 100% ownership;
- Significant historical geochemistry and/or geophysics;
- Under drilled and/or open-ended mineralisation; and
- Demonstrated high grade mineralisation and/or potential for large mineral occurrences.

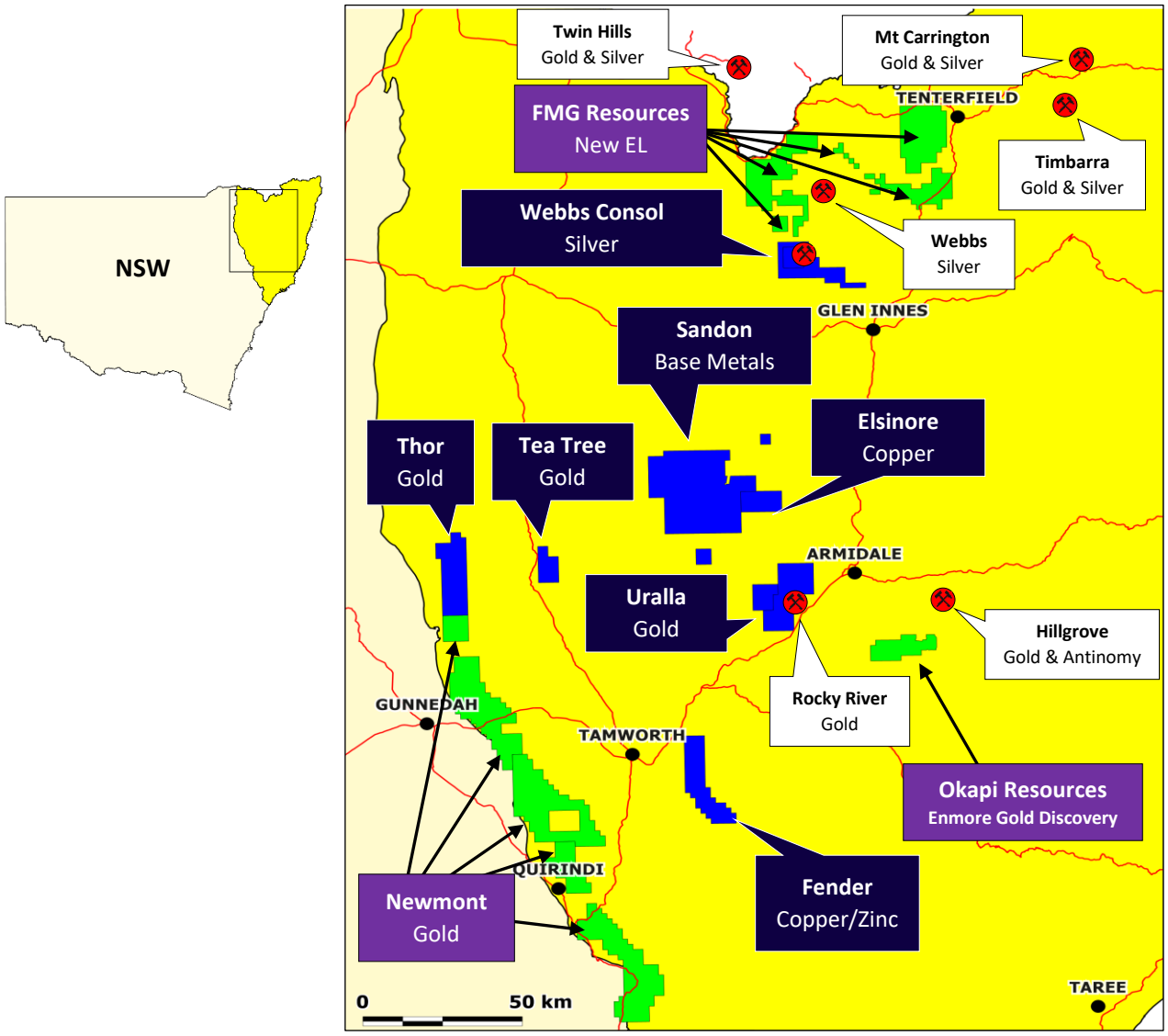
This has resulted in a portfolio of assets with diverse mineralisation styles with 3 drilled since listing on the ASX in mid-2021.

1. **Uralla Gold** – Located 8km west of the Uralla township, this goldfield was one of the earlier goldfields discovered in NSW and a significant gold producer in the 1850's. Despite this long history the mineralisation style has only recently been recognised as being an Intrusive Related Gold System (IRGS) and this has strong implications for this project's discovery potential. Lode's holdings cover over 300 square kilometres.
2. **Webbs Consol Silver** – Located 16km west-southwest of Emmaville, this historical mining centre is known for high grade silver-base metal bearing lodes providing attractive targets that were essentially drill ready. Historical records of underground sampling indicated high-grade mineralisation remains open at relative shallow depths and subsequent geophysical anomalies were never followed-up by drilling.
3. **Fender Copper (Trough Gully**) – Located 30km southeast of Tamworth this project has incurred surface exploration carried out by several companies since the 1960s comprising stream/soil, surface mapping, IP and magnetics however no drilling has occurred. Significant copper in drainage anomalies and several know historical workings on VMS style mineralisation provide some very attractive exploration targets.
4. **Elsinore Copper** – Located 30km west of Guyra this project hosts a large regional magnetic and IP anomaly with anomalous base/precious metals in geochemical sampling.
5. **Thor Gold** – Located 35km northwest of Manila this project hosts a large gold anomaly potentially associated with high level intrusions or major regional fault structures.
6. **Tea Tree Gold** – Located 24km north of Manila this project comprises an underexplored goldfield.
7. **Sandon Base Metals** - Located 50km northwest of Armidale, this project includes the Bundarra Copper Project and Abington Base Metal Project and being the two most prominent explorations targets. Extensive historic surface work means minimal preliminary work needed for drill target definition.

Lode's strategy is to:

- Systematically explore and develop the Company's Tenements in the New England Fold Belt;
- Target large-scale gold, silver and copper mineral systems;
- Use modern exploration methods and best practices in cost effective programs; and
- Advance discoveries to the development stage.

## Lode's Project Locations




**This announcement has been approved and authorised by Lode Resource Ltd's Managing Director, Ted Leschke.**

For more information on Lode Resources and to subscribe for our regular updates, please visit our website at www.loderesources.com or email info@loderesoruces.com

### No Material Changes

The Company confirms it is not aware of any new information or data that materially affects the information included in this quarterly activities report and that all material assumptions and technical parameters underpinning the exploration activities in this market announcements continue to apply and have not materially changed.

## Competent Person's Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Mitchell Tarrant, who is a Member of the Australian Institute of Geoscientists. Mr Tarrant, who is the Project Manager for Lode Resources, 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'. Mr Tarrant has a beneficial interest as an option holder of Lode Resources Ltd and consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

## [1]Use of Silver Equivalent Figures

Silver is deemed to be the appropriate metal for equivalent calculations as silver is the most common metal to all mineralisation zones. Webbs Consol silver equivalent grades are based on assumptions: AgEq(g/t)=Ag(g/t)+61*Zn(%)+33*Pb(%)+107*Cu(%)+88*Au(g/t) calculated from 29 August 2022 spot metal prices of US$18.5/oz silver, US$3600/t zinc, US$2000/t lead, US$8100/t copper, US$1740/oz gold and metallurgical recoveries of 97.3% silver, 98.7%, zinc, 94.7% lead, 76.3% copper and 90.8% gold which is the 4th stage rougher cumulative recoveries in test work commissioned by Lode and reported in LDR announcement 14 December 2021 titled "High Metal Recoveries in Preliminary Flotation Test work on Webbs Consol Mineralisation". It is Lode's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

$$\text{AgEq}^{1}\ (\text{g/t}) = \text{Ag (g/t)} + \text{Pb (\%)} \times \frac{\text{Price 1 Pb (\%) x Pb Recovery (\%)}}{\text{Price 1 Ag (g/t) x Ag Recovery (\%)}} + \text{Zn (\%)} \times \frac{\text{Price 1 Zn (\%) x Zn Recovery (\%)}}{\text{Price 1 Ag (g/t) x Ag Recovery (\%)}}$$

$$+ \text{Cu (\%)} \times \frac{\text{Price 1 Cu (\%) x Cu Recovery (\%)}}{\text{Price 1 Ag (g/t) x Ag Recovery (\%)}} + \text{Au(g/t)} \times \frac{\text{Price 1 Au (g/t) x Au Recovery (\%)}}{\text{Price 1 Ag (g/t) x Ag Recovery (\%)}}$$

# Appendix 5B

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

| Name of entity | |
|---|---|
| LODE RESOURCES LTD | |
| **ABN** | **Quarter ended ("current quarter")** |
| 30 637 512 415 | 30 June 2023 |

| | **Consolidated statement of cash flows** | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) exploration & evaluation | - | - |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) staff costs | (94) | (542) |
| | (e) administration and corporate costs | (120) | (464) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 8 | 23 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | - |
| 1.8 | Other (Cash flow Boost) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(206)** | **(983)** |

| | | | |
|---|---|---|---|
| **2.** | **Cash flows from investing activities** | | |
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) exploration & evaluation | (505) | (1,878) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| | (e) investments | (150) | (150) |
| | (f) other non-current assets | - | (79) |
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **(655)** | **(2,107)** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | 6,123 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (387) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | (8) | (35) |
| **3.10** | **Net cash from / (used in) financing activities** | **(8)** | **5,701** |

| | | | |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 5,661 | 2,181 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (206) | (983) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (655) | (2,107) |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (8) | 5,701 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **4,792** | **4,792** |

| **5.** | **Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | **Current quarter $A'000** | **Previous quarter $A'000** |
|---|---|---|---|
| 5.1 | Bank balances | 135 | 54 |
| 5.2 | Call deposits | 4,657 | 5,607 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **4,792** | **5,661** |

| **6.** | **Payments to related parties of the entity and their associates** | **Current quarter $A'000** |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 94 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| *Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.* | | |
| Director fees, salaries and superannuation payments. | | |

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

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | |

| | | |
|---|---|---|
| **8.** | **Estimated cash available for future operating activities** | **$A'000** |
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (206) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (505) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (711) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 4,792 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 4,792 |
| 8.7 | **Estimated quarters of funding available (item 8.6 divided by item 8.3)** | **6.74** |

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

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

Answer:

N/A

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

Answer:

N/A

| | |
|---|---|
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? |
| Answer:<br>N/A | |
| *Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.* | |

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 July 2023

Authorised by: By the Managing Director – Edward Leschke

……..

(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.