

LODE RESOURCES LTD

ABN 30 637 512 415

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Corporate Directory

Directors	Andrew Van Heyst Edward Leschke Keith Mayes Jason Beckton	Executive Chairman Managing Director Non-Executive Director Non-Executive Director
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Company Secretary	Marcelo Mora
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Principal Place of Business and Registered Office	ESN Partners 'Australia Square' Level 30, 264-278 George Street Sydney NSW 2000 Australia	
	Telephone:	(61 2) 9008 1381
	Web site:	www.loderesources.com

Share Registry	Advanced Share Registry Limited 110 Stirling Highway Nedlands, Western Australia 6009	
	Telephone:	(61 8) 9389 8033
	Facsimile:	(61 8) 9262 3723

Auditors	PKF (NS) Audit and Assurance Limited Partnership Level 8 1 O'Connell Street Sydney NSW 2000
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Solicitors	Thomson Geer Level 14 60 Martin Place Sydney NSW 2000
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Stock Exchange Listings	Australian Securities Exchange	(Code – LDR)
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LODE RESOURCES LTD

DIRECTORS' REPORT

The Directors of Lode Resources Ltd ('Lode' or the 'Company') present their report together with the condensed interim financial report and the auditor's review report thereon for the half year ended 31 December 2021.

Directors

The names and particulars of the Directors of the Company at any time during or since the end of the half year are:

Andrew Mark Van Heyst, Executive Chairman

Director since 18 November 2019.

With more than 30 years' experience in Industrial Equities and Advisory. Has worked at Merrill Lynch in New York as Head of Australian Sales and for ABN AMRO as Head of Australian Sales and Head of Americas Client Account Management for Global Equity Product. In 2005 Andrew moved back to Australia joining Shaw and Partners as a Corporate Advisor focussing on Small Cap resources and prior to Lode listing was Executive Director at Bridge Street Capital Partners.

Edward Jan Leschke, Managing Director

Director since 18 November 2019

Mr. Leschke graduated with a Bachelor of Applied Science Geology degree from the Queensland University of Technology.

With more than 30 years' experience in the resources industry including Managing Director of ASX listed Equus Mining Limited from start up project development covering areas such as project identification, acquisition and generation, geological mapping, exploration drilling, local community and government liaison, financial management, strategy, fundraisings, ASX listing, and statutory reporting. Previously worked as a resource analyst in stockbroking/funds management as well as a geologist in the mining industry.

Keith Anthony Mayes, Non-Executive Director

Director since 10 March 2020

With more than 30 years' experience in the resource sector in exploration, business development, operational and financial roles with major mining companies including North Ltd, Newmont, Rio Tinto, and Oxiana in Australia, Europe, Middle East, and Africa. Keith is currently GM of Australian Garnet a subsidiary of Resource Development Group and formerly COO at ASX listed KGL Resources that is undertaking exploration and development of the large Jervois copper/silver/gold project in central Australia and COO at Altura Mining Ltd where he discovered the world-class Pilgangoora lithium deposit.

Jason Michael Beckton, Non-Executive Director

Director since 29 September 2020

Mr. Beckton holds BSc (Hons) Melbourne and a Masters of Economic Geology from the University of Tasmania.

With more than 25 years of geological corporate experience in Australia, North and South America and China. Was Project Manager for Bolbisi Gold NL's Palmerejo silver/gold project in Mexico where he managed a program defining 3.1moz AuEq. Managed the discovery of Exeter Resource Corp's 30 moz AuEq Caspiche Porphyry prospect in the Maricunga Gold Copper Belt of Chile. Previously MD of ASX listed Chinalco Yunnan Copper Resources exploring the Mt Isa, Lao and Chilean copper districts.

LODE RESOURCES LTD

DIRECTORS' REPORT

Review of Operations

Corporate Activities

- Lode Resources Ltd (ASX: LDR or 'Lode' or 'the Company') commenced trading on the Australian Stock Exchange (ASX Ltd) on 2 July 2021.
- On 14 July, The Company issued 500,000 unlisted options to the Exploration Manager. Each option has an exercise price of \$0.30 expiring on 14 July 2023 and vest immediately.
- During the half-year ended 31 December 2021, Lode was granted Exploration Licence EL 9319 Sandon.

Financial position and performance

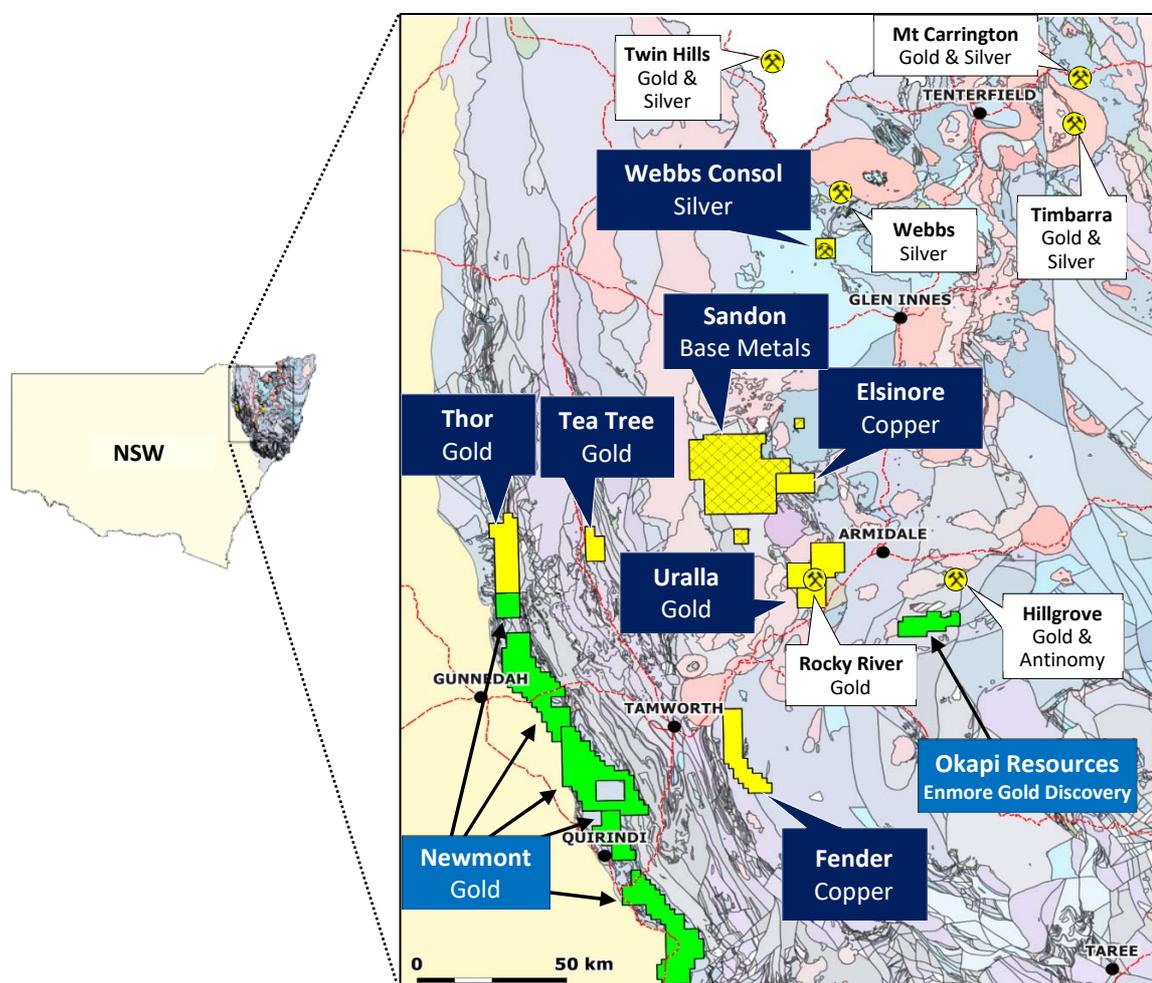
The Company recognised a loss for the half year period ended 31 December 2021 of 571,374 (31 December 2020: Loss \$83,711). The net assets of the Company at 31 December 2021 were \$4,577,875 (30 June 2021: \$5,099,249) including cash of \$3,488,178 (30 June 2021: \$4,739,139).

The Company's strategy is to continue with its program of exploring and developing the Company's tenements in the New England Fold Belt. The Company listed on the ASX in late June 2021 and believes that the current cash reserves, will be sufficient to fund the Company's operational requirements and achieve its short-term business objectives. The Company will consider further funding when appropriate.

Exploration Tenements

Since the successful completion of the A\$5.1M IPO, admission to the Official List of ASX Limited ('ASX') on Wednesday, 30 June and the commenced trading on Friday, 2 July Phase I drilling and other field activities have been carried out at three of six projects 100% owned by Lode. All these projects are located in the highly prospective but under-exploited New England Fold Belt in north-eastern NSW.

Figure 1: Lode's Project Locations (yellow polygons)



LODE RESOURCES LTD

DIRECTORS' REPORT

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.

At the Webbs Consol silver and base metals project, located near Emmaville Phase I drilling resulted in 9 drill holes being completed for a total of 1,299 metres drilled. Historical records of underground sampling indicated high-grade mineralisation remained open at relative shallow depths and subsequent geophysical anomalies were never followed-up by drilling.

High-grade silver-zinc mineralisation was intersected over substantial widths at the main shaft prospect. The most significant two drill intercepts were drill holes WCS006 and WCS7 as shown below.

WCS006: **27.50m @ 467 g/t silver eq or 9.44 % zinc eq** from 104.60m

incl. **4.40m @ 800 g/t silver eq or 16.24 % zinc eq** from 105.60m

WCS007: **24.15m @ 374 g/t silver eq or 7.57 % zinc eq** from 122.90m

incl. **10.30m @ 675 g/t silver eq or 13.71 % zinc eq** from 129.70m

A preliminary flotation test on WCS006 mineral intercept has resulted in very high recoveries (up to 97.3% Ag, 98.7% Zn, 94.7% Pb) indicating the potential for industry standard beneficiation and high-quality silver-zinc-lead concentrate product.

Follow-up surface work at Webbs Consol has resulted in multiple Phase II drill targets being identified through recent Phase I drilling, mapping, sampling, and an extensive historical literature review.

Phase I drilling also commenced at the Uralla gold project, located near the Uralla township, with 12 RC drill holes being completed for a total of 915 metres drilled. The Uralla 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 typical of an Intrusive Related Gold System (IRGS) and this has strong implications for this project's discovery potential.

The drilling completed was designed to test high-grade gold mineralisation sampled at surface as well as targets generated by the recent DroneMag and Auger drilling surveys at the Hudson's gold prospect. Assays from this drill program were outstanding at half-year end.

During the half-year drilling also commenced at the Trough Gully copper mine, part of the Fender copper project located near 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 known historical workings on VMS style mineralisation provides some very attractive exploration targets.

The Trough Gully copper mine had previously never been drilled so Lode's initial drilling strategy was simply to test for mineralisation extensions adjacent to historical underground workings, both down dip and along strike. Assays from this drill program were outstanding at half-year end.

Total cash expenditure during the half-ended 31 December 2021 was A\$1,251,000. Exploration and evaluation cash expenditure was \$690,000. Approximately one-half of this expenditure was spent on exploration activities at the Uralla Gold Project and the remainder on the Webbs Consol Silver Project. Activities included mapping, rock and soil sampling, geophysics and pre-drilling preparations, and significant drilling.

Approximately two-thirds of expenditure was spent on exploration activities at the Webbs Consol silver and base metals project and the remainder Uralla gold project and Fender base metals project.

LODE RESOURCES LTD

DIRECTORS' REPORT

Used of funds	Prospectus Year 1 Budget	6 Months Actuals to 31 December 2021
Webbs Consol (EL8933)	241,200	452,195
Uralla (EL8980 and EL9087)	332,800	277,216
Fender (EL9003)	229,400	149,272
Elsinore (EL9004)	26,500	3,201
Tea Tree (EL6016)	35,300	1,219
Thor (EL6020)	36,800	1,447
Sandon (EL9319)	-	12,549
Miscellaneous	278,000	46,680
Contingency 15%	177,000	-
Equipment	-	32,700
Exploration Management	-	-
Total	\$ 1,357,000	976,479

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 optionholder 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.

No Material Changes

Lode Resources Ltd confirms that it is not aware of any new information or data that would materially affect the information included in the quarterly activities report released on 28 January 2022 and the market announcements on 15 February 2022 and 21 February 2022 and that all material assumptions and technical parameters in the market announcements continue to apply and have not materially changed.

Subsequent Events

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration is set out on page 5 and forms part of the Directors' Report for the half-year ended 31 December 2021.

Signed at Sydney this 9th day of March 2022
in accordance with a resolution of the Board of Directors:



Andrew M. Van Heyst
Executive Chairman



Edward J. Leschke
Managing Director

Lode Resources Limited

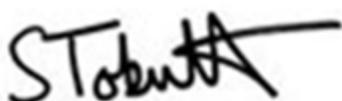
Auditors Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



PKF



SCOTT TOBUTT
PARTNER

9 MARCH 2022
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited
Partnership
ABN 91 850 861 839

Liability limited by a scheme
approved under Professional
Standards Legislation

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PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.

For office locations visit www.pkf.com.au

LODE RESOURCES LTD

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2021

	Notes	31 December 2021 \$	31 December 2020 \$
CONTINUING OPERATIONS			
Other income		-	-
Expenses			
Administration and consultants' expenses		(99,383)	-
Employee, directors and consultants costs		(311,184)	-
Amortisation and depreciation		(20,901)	
Legal and professional expenses		(4,732)	(40,927)
Travel expenses		(3,704)	-
Other expenses		(129,563)	(42,784)
Operating loss before financing income and expense		(569,467)	(83,711)
Interest income		64	-
Interest expense		(1,971)	-
Net finance expense		(1,907)	-
Loss before income tax	3	(571,374)	(83,711)
Income tax benefit/(expense)		-	-
Loss for the period		(571,374)	(83,711)
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(571,374)	(83,711)
Earnings per share			
Basic and diluted loss per share		(0.007)	(0.002)

The above Condensed Interim Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

LODE RESOURCES LTD

Condensed Interim Statement Of Financial Position
As at 31 December 2021

	Notes	31 December 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		3,488,178	4,739,139
Trade and other receivables		110,552	40,875
Other assets		4,456	1,636
Total current assets		3,603,186	4,781,650
Non-current assets			
Other financial assets		154,528	98,800
Property, plant and equipment		49,444	28,740
Exploration and evaluation assets	4	1,229,934	332,834
Total non-current assets		1,433,906	460,374
Total assets		5,037,092	5,242,024
Current liabilities			
Trade and other payables		387,901	142,775
Employee entitlements		21,139	-
Lease liability		31,961	-
Total current liabilities		441,001	142,775
Non-current liabilities			
Lease liability		18,216	-
Total non-current liabilities		18,216	-
Total liabilities		459,217	142,775
Net assets		4,577,875	5,099,249
Equity			
Issued capital	5	5,611,514	5,611,514
Reserves		135,000	85,000
Accumulated losses		(1,168,639)	(597,265)
Total equity		4,577,875	5,099,249

The above Condensed Interim Statement of Financial Position should be read in conjunction with the accompanying notes.

LODE RESOURCES LTD

Condensed Interim Statement Of Changes In Equity
For the half year ended 31 December 2021

	Issued capital	Option Premium reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2020	365,022	-	(22,331)	342,691
Loss for the period	-	-	(83,711)	(83,711)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(83,711)	(83,711)
Transactions with owners recorded directly in equity				
Ordinary shares issued	783,000	-	-	783,000
Transaction costs on issue of shares	(82,548)	-	-	(82,548)
Balance at 31 December 2020	1,065,474	-	(106,042)	959,432
Balance at 1 July 2021	5,611,514	85,000	(597,265)	5,099,249
Loss for the period	-	-	(571,374)	(571,374)
Total other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(571,374)	(571,374)
Transactions with owners recorded directly in equity				
Share base payments	-	50,000	-	50,000
Balance at 31 December 2021	5,611,514	135,000	(1,168,639)	4,577,875

The above Condensed Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

LODE RESOURCES LTD

Condensed Interim Statement Of Cash Flows
For the half year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities		
Cash payments in the course of operations	(446,611)	(35,241)
Net cash used in operations	(446,611)	(35,241)
Interest received	64	-
Net cash used in operating activities	(446,547)	(35,241)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(690,393)	(30,699)
Payment for plant and equipment	(40,608)	-
Net cash used in investing activities	(731,001)	(30,699)
Cash flows from financing activities		
Proceeds from share issues	-	365,022
Lease payments	(14,249)	-
Transaction costs on share issue	(59,164)	-
Net cash (used in) / provided by financing activities	(73,413)	365,022
Net increase / (decrease) in cash held	(1,250,961)	299,082
Cash at the beginning of the reporting period	4,739,139	-
Cash and cash equivalents at 31 December	3,488,178	299,082

The above Condensed Interim Statement of Cash Flows should be read in conjunction with the accompanying notes.

LODE RESOURCES LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

31 December 2021

1. REPORTING ENTITY

Lode Resources Ltd (the 'Company') is a company domiciled in Australia as an individual entity. The interim financial statements, of the Company as at and for the half-year ended 31 December 2021. The Company is a for-profit entity and is primarily engaged in identifying and evaluating gold, copper, and silver resource opportunities in New England Fold Belt of New South Wales.

The annual financial statements of the Company as at and for the year ended 30 June 2021 are available upon request from the Company's registered office at C/o ESN Partners, Australia Square, Level 30, 264 - 278 George Street, Sydney, NSW, 2000 or at www.loderesources.com.

2. BASIS OF PREPARATION

(a) Statement of compliance

The condensed interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 30 June 2021. The condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Company as at and for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

This condensed interim financial report was approved by the Board of Directors on 9 March 2021.

(b) Estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30 June 2021.

Fair value of Options

There were estimates were used to value the issue of 500,000 options issued on 14 July 2021 with a fair value of \$50,000. Estimates used in this valuation are outlined in Note 5.

(d) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

LODE RESOURCES LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

31 December 2021

(d) Employee Benefits (cont'd)

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

(e) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(f) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(g) Changes in Accounting Policies

All other accounting policies used are consistent with those applied in the 30 June 2021 financial report.

LODE RESOURCES LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

31 December 2021

3. LOSS BEFORE INCOME TAX

	31 December 2021	31 December 2020
	\$	\$
The following items are relevant in explaining the financial performance for the half-year:		
Interest income on cash deposits	64	-
Interest expense	(1,971)	-
Total	(1,907)	-

Lease liability repayment for the six months ended 31 December 2021 was \$14,249 (2020 – \$Nil) and is recognised as cash outflows from lease repayments.

4. EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2021	30 June 2021
	\$	\$
EL 8933 Webbs Consol	501,208	49,014
EL 8980 Uralla	479,667	202,717
EL 9003 Fender	176,783	27,510
EL 9004 Elsinore	16,926	13,724
EL 9084 Tea Tree	10,719	9,500
EL 9085 Thor Gold	20,431	18,984
EL 9319 Sandon	12,549	-
EL 9087 Uralla West	11,651	11,385
Net book value	1,229,934	332,834
Balance at beginning of the period	332,834	30,699
Expenditure incurred	897,100	302,135
Net book value	1,229,934	332,834

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

During the half-year ended 31 December 2021, Lode was granted Exploration Licence EL 9319 Sandon.

LODE RESOURCES LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

31 December 2021

5. ISSUED CAPITAL

(a) Issued and paid-up share capital

	31 December 2021		30 June 2021	
	Number	\$	Number	\$
Ordinary shares, fully paid at 1 July	79,966,002	5,611,514	46,460,002	365,022
<i>Movement in Ordinary Shares:</i>				
Issued ordinary shares 1 July 2020 for \$0.010	-	-	200,000	10,000
Issued ordinary shares 5 January 2021 for \$0.010	-	-	7,730,000	773,000
Issued ordinary shares 28 June 2021 for \$0.020	-	-	25,576,000	5,115,200
Less cost of issue	-	-	-	(651,708)
	79,966,002	5,611,514	79,966,002	5,611,514

The Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the shareholder's meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

(b) Share based payment

- On 14 July 2021, the Company granted 500,000 unlisted options to the Exploration Manager. The options have an exercise price of \$0.30, vest immediately and expire on 14 July 2023.

The fair value of the options granted on 14 July 2021 to the Exploration Manager was \$50,000. The Black-Scholes formula model inputs were the Company's share price of \$0.18 at the grant date, a volatility factor of 137.76% based on historical share price performance and a risk-free interest rate of 0.04% based on the 2-year government bond rate.

The terms and conditions of the options held by the exploration manager during the half-year ended 31 December 2021 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Start of the period	Granted during the period	Total Exercised Number	Total Number Expired	Balance at end of the period Number
14 July 2021	7 July 2023	Immediately	\$0.30	-	500,000	-	-	500,000

- On 31 March 2021, the Company granted 1,000,000 unlisted options to the Non-Executive Directors. The options have an exercise price of \$0.30, vest immediately and expire on 2 July 2023.

The terms and conditions of the options held by key management personnel during the half-year ended 31 December 2021 are as follows:

Grant date	Expiry date	Vesting date	Exercise price	Start of the period	Granted during the period	Total Exercised Number	Total Number Expired	Balance at end of the period Number
31 March 2021	2 July 2023	Immediately	\$0.30	1,000,000	-	-	-	1,000,000

The fair value of options granted on 31 March 2021 to Non-executive Directors was \$85,000. The Black-Scholes formula model inputs were the Company's share price of \$0.20 at the grant date, a volatility factor of 100.00%, and a risk-free interest rate of 0.08% based on the 2-year government bond rate.

LODE RESOURCES LTD

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

31 December 2021

6. OPERATING SEGMENTS

The Company's chief operating decision maker has considered the requirements of AASB 8, Operating Segments, and has concluded that, during the half-year ended 31 December 2021, the Company operated in the mineral exploration within the geographical segments of Australia with no separate reportable segment.

7. EVENTS OCCURRING SUBSEQUENT TO 31 DECEMBER 2021

No matters or circumstances have arisen since the end of the reporting period, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

8. RELATED PARTIES

Transactions with key management personnel

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No directors have entered into a material contract with the Company and there were no material contracts involving directors' interests existing at 31 December 2021.

LODE RESOURCES LTD
DIRECTORS' DECLARATION
31 December 2021

In the opinion of the directors of Lode Resources Ltd (the 'Company'):

- (a) the financial statements and notes set out on pages 6 to 14, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed at Sydney this 9th day of March 2022
in accordance with a resolution of the Board of Directors:



Andrew Van Heyst
Executive Chairman



Edward Leschke
Managing Director

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LODE RESOURCES LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Lode Resources Ltd (the Company), which comprises the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Lode Resources Ltd is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Company's the financial position as at 31 December 2021, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors of the Company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility for the Review of the Half-Year Financial Report

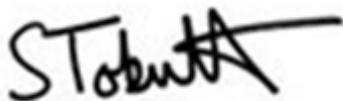
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Lode Resources Ltd (formerly Lode Resources Pty Ltd), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Auditor's Responsibility for the Review of the Half-Year Financial Report (cont'd)

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



PKF



SCOTT TOBUTT
PARTNER

9 MARCH 2022
SYDNEY, NSW