

29 July 2022

# Quarterly Activities Report For The Quarter Ended 30 June 2022

Exploration during the June quarter was primarily focused on the Webbs Consol Silver-Base Metal Project. Ongoing Phase I drilling has resulted in a number of thick high-grade drill intercepts and the discovery of additional mineralized lodes at Webbs Consol. Numerous drill targets remain, including discovered open-ended lodes, prototype gossans and geophysical anomalies.

Since listing Lode Resources has produced numerous high-grade intercepts in Phase I drilling at 3 separate projects across multiple commodities. Given the exceptional results achieved to date, over the next few quarters the main focus of exploration activities will be at Webbs Consol.

# Webbs Consol Silver-Base Metals Project Drilling Highlights

## **Castlereagh Prospect**

WCS023 intersected 50.0m grading 284 g/t silver equivalent<sup>1</sup> from 17m.

- **50.0m @ 284 g/t AgEq**<sup>1</sup> includes:
- **38.1m @ 370 g/t AgEq<sup>1</sup>** includes:
- 15.0m @ 582g/t AgEq<sup>1</sup> includes:
- **1.1m @ 1,001 g/t AgEq**<sup>1</sup> and:
- o.6m @ 1,362 g/t AgEq<sup>1</sup>

## **Tangoa West Prospect**

WCS019 intersected 26.7m grading 339 g/t silver equivalent<sup>1</sup> from 30.1m.

- **26.7 m @ 399 g/t AgEq**<sup>1</sup> includes:
- 9.4 m @ 633 g/t AgEq<sup>1</sup> includes:
- **3.0 m @ 1,023 g/t AgEq<sup>1</sup>** and:
- **6.2 m @ 587 g/t AgEq**<sup>1</sup> includes:
- 2.9 m @ 1,126 g/t AgEq<sup>1</sup>

WCS020 intersected 31.0m grading 224 g/t silver equivalent<sup>1</sup> from 30.6m.

- 31.0m @ 224 g/t AgEq<sup>1</sup> includes:
- **14.0m @ 336 g/t AgEq**<sup>1</sup> includes:
- **7.5m @ 482 g/t AgEq**<sup>1</sup> includes:
- o.6m @ 1,051 g/t AgEq<sup>1</sup>

## **Mt Galena Prospect**

WCS020 intersected 12.0m grading 312 g/t silver equivalent<sup>1</sup> from 30.6m.

- **12.1 m @ 312 g/t AgEq<sup>1</sup>** includes:
- **9.4 m @ 394 g/t AgEq**<sup>1</sup> includes:
- 1.0m @ 821g/t AgEq<sup>1</sup>



#### **Main Shaft Prospect**

WCSo28 intersected 42.0m of sulphide mineralisation from 138.4m containing an estimated 6% sphalerite ((Zn,Fe)S), 1% galena (PbS) and 0.5% chalcopyrite (CuFeS2). Significant silver is also anticipated in pending assays.

## Lucky Lucy North Prospect

WCS026 intersected 26.1m of sulphide mineralisation from 32.5m containing an estimated 1% sphalerite ((Zn,Fe)S) 1% galena (PbS), 0.5% chalcopyrite (CuFeS2). Significant silver is also anticipated in pending assays.

WCS029 intersected 30.5m of sulphide mineralisation from 47.4m containing an estimated 4% sphalerite ((Zn,Fe)S), 1% galena (PbS) and 0.5% chalcopyrite (CuFeS2). Significant silver is also anticipated in pending assays

## Webbs Consol Silver-Base Metal Project

## Abundant Thick High-Grade Intercepts and Addition Lodes Discovered

Exploration during the June quarter primarily focused on Lode's 100% owned Webbs Consol Silver-Base Metal Project (EL8933). The continuation of Phase I drilling resulted in a number of thick high-grade intercepts and the discovery of additional mineralized lodes at the Project. Numerous drill targets remain to be drill tested, including recently discovered open ended lodes, prototype gossans and geophysical anomalies.

Since Lode's IPO, preliminary Phase I drilling has discovered 5 thick mineralised lodes rich in Ag, Pb and Zn, with lesser Cu and Au. This together with > 3km north-south strike and the latest deeper drill intercepts demonstrates the significant but previously unrecognised prospectivity of the Webbs Consol mineral system. To date at Webbs Consol a total of 29 drill holes for 3,165m has been drilled including 14 drill holes for 1,251m in the June quarter.

Hole	From	То	Interval	Silver Eq <sup>1</sup>	Silver	Lead	Zinc	Copper	Gold
noie	(m)	(m)	(m)	(g/t)	(g/t)	(%)	(%)	(%)	(g/t)
WCS006	104.6	132.1	27.5	468	118	0.77	6.52	0.07	0.00
incl.	105.6	129.4	23.8	526	135	0.82	7.32	0.08	0.00
WCS007	122.9	147.1	24.2	374	63	0.49	5.96	0.04	0.00
incl.	126.0	145.0	19.0	462	78	0.49	7.43	0.05	0.00
WCS008	21.2	45.2	24.0	45	19	0.03	0.1	0.01	0.30
incl.	35.3	42.0	6.7	80	31	0.04	0.01	0.00	0.62
WCS009	70.0	80.0	10.0	84	45	0.09	0.17	0.23	0.05
incl.	70.0	75.3	5.3	144	82	0.07	0.16	0.43	0.09
WCS012	48.0	60.1	12.1	312	108	5.49	0.36	0.10	0.04
Incl.	49.6	59.0	9.4	394	137	7.01	0.39	0.12	0.05
WCS019	30.1	56.8	26.7	399	115	6.43	1.07	0.25	0.03
Incl.	31.6	41.0	9.4	633	197	10.14	1.5	0.39	0.04
Incl.	37.0	40.0	3.0	1,023	376	17.68	0.28	0.64	0.09
Incl.	50.0	56.2	6.2	587	171	10.04	1.09	0.42	0.04
Incl.	53.3	56.2	2.9	1,126	344	19.62	1.54	0.82	0.03
WCS20	30.6	61.6	31.0	224	55	3.37	0.98	0.12	0.02
incl.	38.7	52.7	14.0	336	84	5.58	1.08	0.21	0.02
incl.	45.2	52.7	7.5	482	136	8.73	0.76	0.29	0.04
WCS23	17.0	67.0	50.0	284	95	2.87	1.79	0.08	0.04
incl.	24.6	67.0	38.1	370	124	3.74	2.30	0.11	0.05
incl.	38.1	53.1	15.0	582	242	6.17	2.46	0.19	0.08

Table 1: Webbs Consol Silver-Base Metals Project - Phase I Drill Results to Date





#### Figure 1: Webbs Consol Silver-Base Metals Project – Phase I Drill Results to Date



## **Castlereagh Prospect**

During the June Quarter drill hole WCS023 intersected **50.0m grading 284 g/t silver equivalent**<sup>1</sup> at the newly discovered Castlereagh Prospect. The WCS023 intercept is from the first drill hole at the Castlereagh Prospect, intersecting significant, shallow, high-grade silver-base metal mineralisation and exhibits the strongest mineral endowment of all intercepts to date. It is the fifth thick, silver-base metal lode discovered to date at Webbs Consol.

The WCS023 intercept at the Castlereagh prospect is located 0.5km south of the Main Shaft prospect and 1.5km north of the recent discovery at the Tangoa West prospect.

Intercept details are as follows:

- 50.0m @ 284 g/t AgEq<sup>1</sup> (95 g/t Ag, 2.87% Pb, 1.79% Zn, 0.08% Cu) from 17.0m including:
- 38.1m @ 370 g/t AgEq<sup>1</sup> (124 g/t Ag, 3.74% Pb, 2.30% Zn, 0.11% Cu) from 24.6m including:
- 15.0m @ 582 g/t AgEq<sup>1</sup> (242 g/t Ag, 6.17% Pb, 2.46% Zn, 0.19% Cu) from 38.1m including:
- 1.1m @ 1,001 g/t AgEq<sup>1</sup> (310 g/t Ag, 20.90% Pb, 0.48% Zn, 0.04% Cu) from 49.9m and:
- ▶ **0.6m @ 1,362 g/t AgEq**<sup>1</sup> (711 g/t Ag, 1.20% Pb, 12.10% Zn, 0.17% Cu) from 52.5m

Whist the true thickness of the Castlereagh lode is yet to be determined the WCS023 intercept is strong demonstration of the mineral endowment of the Webbs Consol mineral system.

The Castlereagh prospect was discovered though the mapping of geomorphological and geochemical surface characteristics similar to that observed at the Tangoa West prospect. It is solid example of how under-explored the Webbs Consol Project is and the potential for further discoveries through the drilling of mapped surface targets as well as extension and/or blind targets generated through geophysics.



Photo 1: Sphalerite (Zn) and Galena (Pb) mineralisation in drill core (NQ2) from hole WCS023



**Figure 2:** Cross section of Castlereagh prospect showing the 50.0m intercept grading 283 g/t silver equivalent<sup>1</sup> in recent drill hole WCS023





## Tangoa West Prospect

During the June Quarter drill hole WCS019 returned high-grade silver and base metals mineralisation in a thick drill intercept at shallow depths below the Tangoa West Prospect;

- 26.7 m @ 399 g/t AgEq<sup>1</sup> (115 g/t Ag, 6.47% Pb, 1.07% Zn, 0.25% Cu) from 30.1 m including two very high-grade zones:
- 9.4 m @ 633 g/t AgEq<sup>1</sup> (197 g/t Ag, 10.14% Pb, 1.05% Zn, 0.39% Cu) from 31.6m including:
- 3.0 m @ 1,023 g/t AgEq<sup>1</sup> (376 g/t Ag, 17.68% Pb, 0.28% Zn, 0.64% Cu) from 37.0m
- 6.2 m @ 587 g/t AgEq<sup>1</sup> (171 g/t Ag, 10.04% Pb, 1.09% Zn, 0.42% Cu) from 50.0m including:
- 2.9 m @ 1,126 g/t AgEq<sup>1</sup> (344 g/t Ag, 19.62% Pb, 1.54% Zn, 0.82% Cu) from 53.3m

The Tangoa West discovery is stark evidence of how under-explored the Webbs Consol Project is and the potential for further discoveries through the drilling of mapped surface targets as well as extension and/or blind targets generated through geophysics.

The Tangoa West prospect provides Lode with a diagnostic type example of the geomorphological and geochemical surface expression of Webbs Consol lode style mineralisation prior to disturbance from mining and remediation activities. This is aiding the exploration for other such occurrences. It is worth noting that the Tango West had never been mined or drilled despite being exposed at surface.

In addition, the newly recognised vertical mineralisation and alteration zonation has strong implications for the extension of lodes discovered to date and historical workings which appear to only have mined/tested the upper portions of mineralised lodes.

A Down Hole Electromagnetic (DHEM) and Fixed Loop Electromagnetic (FLEM) geophysical programme has been completed targeting the most prospective mineralisation encountered in drilling to date, including Shaft 1, Lucky Lucy North ahead and now Tangoa West, ahead of deeper Phase II drilling. Results processing and interpretation are pending.

Hole WCS019's follow-up drill hole, WCS020, intersected <u>31.0m grading 224 g/t silver</u> equivalent<sup>1</sup>. Intercept details are as follows:

- 31.0m @ 224 g/t AgEq<sup>1</sup> (55 g/t Ag, 3.37% Pb, 0.98% Zn, 0.12% Cu) from 30.6m including:
- 14.0m @ 336 g/t AgEq<sup>1</sup> (84 g/t Ag, 5.58% Pb, 1.08% Zn, 0.21% Cu) from 38.7m including:
- 7.5m @ 482 g/t AgEq<sup>1</sup> (136 g/t Ag, 8.73% Pb, 0.76% Zn, 0.29% Cu) from 45.2m including:
- o.6m @ 1,051 g/t AgEq<sup>1</sup> (363 g/t Ag, 17.60% Pb, 0.92% Zn, 0.80% Cu) from 50.4m

The WCS0020 intercept confirmed the strike orientation and continuity of the Tangoa West Prospect. True width of the Tangoa lode is estimated at 18.5m width and mineralisation is open in both the Northwest and Southeast directions.





#### Figure 3: Cross Section of Tango West Prospect with drill hole WCS019 mineralised intercept





#### Figure 4: Plan View of Tangoa West Prospect Phase I Drill Results

Photo 1: Very coarse blebs of galena (PbS) in WCS019 drill core (NQ2 core size)





## **Mt Galena Prospect**

During the June quarter drill hole WCS012 assays returned a significant mineralised intercept at the Mt Galena Prospect:

- 12.1 m @ 312 g/t AgEq<sup>1</sup> (108 g/t Ag, 5.49% Pb, 0.36% Zn, 0.10% Cu) from 48.0m including:
- 9.4 m @ 394 g/t AgEq<sup>1</sup> (137 g/t Ag, 7.01% Pb, 0.39% Zn, 0.12% Cu) from 49.6m

This intercept represents shallow mineralisation below the Shaft 3 at the Mt Galena prospect and is located 220m south of Main Shaft Prospect.

Figure 5: Cross Section of Mt Galena Prospect showing drill hole WCS012 mineralised intercept





## **Main Shaft Prospect**

Subsequent to the June Quarter drill hole WCS028 intersected 42.0m of sulphide mineralisation containing an estimated 6% sphalerite ((Zn,Fe)S) 1% galena (PbS), 0.5% chalcopyrite (CuFeS2) at the Main Shaft Prospect. Significant silver is also anticipated.

The WCS028 intercept demonstrates a widening of lode mineralisation at depth, a vertical extension of 30m below drill hole WCS007, and encountered mineralisation 80m below the deepest mining level and 150m vertically below surface.

**Figure 6:** Cross Section of Main Shaft prospect showing 42.om sulphide mineralisation intercept in recent drill hole WCSo28 and previously reported WCSoo6 & WCSoo7 intercepts





Since the Main Shaft Prospect was discovered in the late 1800's, well prior to the advent of exploration drilling techniques, it is highly like mineralisation at this Prospect did outcrop at surface but has since been obliterated by mining and infrastructure activities. This indicates that mineralised lodes at Webbs Consol do have the potential to exceed 150m vertically.

In addition, it is now apparent that mineralised lodes at Webbs Consol show vertical zonation with lead-silver rich mineralisation contained within higher levels of lodes transitioning to zinc-silver rich mineralization at depth. Historical mining was almost entirely focussed on lead rich mineralisation (galena) as zinc rich mineralisation (sphalerite) was not amenable to primitive gravity separation methods used at the time and also, quite possibly, the lack of zinc offtake markets, despite silver mineralisation being associated with both minerals at Webbs Consol.

Since historical records were almost entirely focussed on the mineralisation of economic importance at the time, that being lead-silver rich mineralisation, <u>the prospectivity of zinc-silver mineralisation at depth appears to have been completely missed by modern explorers, until now</u>.

Obviously, recognition of this transition of lead to zinc mineralisation at depth also has, by extension, potential implications for other mineralised lodes discovered at the Webbs Consol silver-base metal Project to date. It also has implications for surface exploration as zinc mineralisation is highly susceptible to surface chemical weathering and outcropping mineralisation is almost always depleted of zinc values when sampled. Thus, mineralised lodes rich in zinc at or near surface may have been completely overlooked.



Photo 1: NQ drill core showing sphalerite rich mineralisation in WCS0028 at Webbs Consol



## Lucky Lucy Prospect

Subsequent to the June quarter drill hole WCS029 has intersected 30.5m of sulphide mineralisation containing an estimated 4% sphalerite ((Zn,Fe)S) 1% galena (PbS), 0.5% chalcopyrite (CuFeS2) at the Main Shaft prospect. Significant silver is also anticipated.

The WCS029 intercept demonstrates a transition to base metal mineralisation (sphalerite and galena) with depth as the higher intercept in drill hole WCS008 was predominantly arsenopyrite with elevated levels of gold and silver but hosted negligible base metals.

**Figure 7:** Cross Section of Lucky Lucy North prospect showing 30.5m sulphide mineralisation intercept in recent drill hole WCS029 and previously reported WCS008 & WCS026 intercepts





As previously announced, it is now understood that the mineralised lodes hosted within the leucogranite at Webbs Consol show vertical gradational mineral zonation. Typically, the upper zones contain elevated arsenopyrite and significant silver together with minor galena (lead), sphalerite (zinc) and gold. This grades into zones rich in galena and silver and minor sphalerite with depth and then into zones rich in sphalerite and silver deeper still.

Silver is the only metal consistently present at significant grades in all zones so it is now considered to be the appropriate metal for metal equivalent calculations going forward. Metal equivalent grade figures encompass all metals of interest in a single element grade figure for easy comparisons.

<sup>1</sup>Webbs Consol silver equivalent grades are based on assumptions used:

- AgEq(g/t)=Ag(g/t)+49\*Zn(%)+32\*Pb(%)+106\*Cu(%)+76\*Au(g/t)
- 10 December 2021 spot prices of US\$22/oz silver, US\$3400/t zinc, US\$2290/t lead, US\$9550/t copper, US\$1800/oz gold.
- Metallurgical recoveries of 97.3% silver, 98.7%, zinc, 94.7% lead, 96.3% 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.

Project	Tenements as at 31 March 2022	Tenements acquired during the quarter	Tenements disposed during the quarter	Tenements as at 30 June 2022	% Interest	Units	Area (km²)	Type of Tenements
Uralla	EL8980	-	-	EL8980	100	80	237	Exploration
Webbs Consol	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
						601	1,728	

# **Tenements – March Quarter 2022**





## Corporate

There have been no significant corporate events since the successful completion of a A\$5.1M IPO, listing on Wednesday, 30 June 2021 and the commenced of trading on Friday, 2 July 2021.

As of 30 June 2022, the Company had cash reserves of approximately \$2.2 million. Forecast expenditure for the quarter ending 30 September 2022 is approximately \$500k.

# **Used of Funds**

Total expenditure during the June quarter was A\$730,000. Exploration and evaluation expenditure was \$467,000. Approximately one half of this expenditure was spent on exploration activities at the Uralla Gold Project and the other half on the Webbs Consol Silver-Base Metal Project. Activities included drilling, geophysics, mapping, rock and soil sampling. Administration and corporate costs were \$147,000 and staff costs were \$104,000.

Used of funds	Prospectus Year 1 Budget	12 Months Actuals to 30 June 2022
Webbs Consol (EL8933)	241,200	687,270
Uralla (EL8980 and EL9087)	332,800	606,098
Fender (EL9003)	229,400	240,919
Elsinore (EL9004)	26,500	3,445
<b>Tea Tree (EL6016)</b>	35,300	2,896
Thor (EL6020)	36,800	6,417
Sandon (EL9319)	-	12,720
Uralla West (EL9087)	-	1,876
Miscellaneous	278,000	-
Contingency 15%	177,000	-
Equipment	-	-
<b>Exploration Management</b>	-	
Total	\$ 1,357,000	1,561,641

No expenditure was incurred during the quarter on mining production and development activities.

During the June quarter, payments totalling \$104,00 were made to Directors or Director related entities for Directors' salaries, consulting fees and superannuation.

#### Reference documents used in this report

LDR announcement 5 April 2022 titled "Significant Sulphide Mineralisation at Mt Galena Prospect" LDR announcement 14 April 2022 titled "Outstanding Metal Recoveries in Trough Gully Testwork" LDR announcement 31 May 2022 titled "High grade silver-lead-zinc drill results" LDR announcement 2 June 2022 titled "Drilling Intersects 26.5m of Lead-Zinc-Silver Mineralisation" LDR announcement 21 June 2022 titled "Over 1,000g/t Silver Eq Intercepted at Tangoa West" LDR announcement 23 June 2022 titled "Another Thick (31.0m) Intercept of Sulphide Mineralisation" LDR announcement 7 July 2022 titled "Further Mineralised Lodes Discovered at Webbs Consol" LDR announcement 18 July 2022 titled "Most Significant Drill Intercepts to Date at the Webbs Consol"



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

#### **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 and Metallurgical 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 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.

## For further information, please contact: Investor Enquiries Ted Leschke Managing Director Ted@loderesources.com

## About Lode Resources

Lode Resources is an ASX-listed explorer focused on the highly prospective but underexploited 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.

- 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-Base Metals 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



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