



Lode Resources Ltd

ACN 637 512 415

# Prospectus

Prospectus for an offer of between 25,000,000 and 37,500,000 Shares at \$0.20 per Share to raise between \$5,000,000 (**Minimum Subscription**) and \$7,500,000 (**Maximum Subscription**).

Lead Manager: Novus Capital Limited (ACN 32 006 711 995)



This document is important and should be read in its entirety. If you are in any doubt as to the contents of this document, you should consult your sharebroker, solicitor, professional adviser, banker or accountant without delay. This Prospectus is issued pursuant to section 710 of the *Corporations Act 2001* (Cth). The securities offered by this Prospectus are considered to be speculative.

# Corporate Directory

## Board of Directors

**Mr Edward Jan Leschke**

**Mr Andrew Van Heyst**

**Mr Keith Mayes**

**Mr Jason Beckton**

## Registered office of Lode

**Lode Resources Ltd**  
(ACN 637 512 415)

ESN Partners 'Australia Square'  
Level 30, 264-278 George Street  
Sydney NSW 2000

T: (02) 9008 1381  
W: [www.loderesources.com](http://www.loderesources.com)

## Lead Manager

**Novus Capital Ltd**  
(ACN 006 711 995)  
(AFSL number 238 168)

Level 8, 330 Collins Street  
Melbourne, Victoria 3000

T: (03) 8602 1714  
E: [Nick.Kapes@novuscapital.com.au](mailto:Nick.Kapes@novuscapital.com.au)

## Investigating Accountant

**PKF Corporate Finance**  
(NSW) Pty Ltd  
(ACN 097 893 957)  
(AFSL 295 872)

Level 8, 1 O'Connell St  
Sydney NSW 2000

T: (02) 8346 6000

## Auditor

**PKF (NS) Audit and Assurance  
Limited Partnership**  
(ACN 850 861 839)

Level 8, 1 O'Connell St  
Sydney NSW 2000

T: (02) 8346 6000

## Tax Advisor

**PKF(NS) Tax Pty Limited**  
(ACN 153 707 325)

Level 8, 1 O'Connell Street  
Sydney NSW 2000

T: (02) 8346 6000

## Solicitors to the Offer

**Thomson Geer**  
(ACN 442 367 363)

Level 14, 60 Martin Place  
Sydney NSW 2000

T: (02) 8248 5800

## Share Registry

**Advanced Share Registry Ltd**  
(ACN 127 175 946)

110 Stirling Highway  
Nedlands, Western Australia 6009

T: (08) 6370 4203  
E: [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)

## Independent Geologist

**GM Minerals Consultants Pty Ltd**  
**(trading as Geos Mining)**  
(ABN 44 608 768 083)

Suite 301 / 68 Alfred St  
Milsons Point NSW 2061

T: (02) 9929 6868

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# Important Notices

## LODGEMENT AND LISTING

This prospectus is dated 13 April 2021 (**Prospectus**) and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. Lode Resources Ltd ACN 637 512 415 (**Lode, the Company, we or us**) will apply to the Australian Securities Exchange (**ASX**) for admission of the Company to the official list of the ASX (the **Official List**) within seven days after the date of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the fully paid ordinary shares of the Company (**Shares**), the offer contained in this Prospectus (**Offer**) or the Company.

ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merit of the investment to which this Prospectus relates.

## EXPIRY DATE

No Shares will be allotted or issued on the basis of this Prospectus after 13 months from the date of this Prospectus.

## NOTICE TO APPLICANTS

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important and you should read it in its entirety, along with each of the documents incorporated by reference, prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares, and you must regard the Shares offered under this Prospectus as a speculative investment. Some of the risks that you should consider are set out in section 4 (Investment Risks). You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be additional risks that you should consider in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to analyse or interpret it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment or any return of capital made pursuant to this Prospectus.

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## JORC CODE

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Ore Reserves and Mineral Resources (**JORC Code 2012**). Investors outside Australia should note that while ore reserve and mineral resource estimates of the Company in this document comply with the JORC Code 2012, they may not comply with the relevant guidelines in other countries.

## NO OFFER WHERE OFFER WOULD BE ILLEGAL

This Prospectus does not constitute a public offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

There may be legal restrictions related to the distribution of this Prospectus (including in electronic form) outside Australia, and therefore any person who resides outside Australia, and who receives this Prospectus outside Australia, should seek advice on, and observe, any such restrictions. Any person who has a registered address in any country outside of Australia, and who receives this Prospectus may only apply for Shares if that person is able to reasonably demonstrate to the satisfaction of the Company that they may participate in the Offer relying on a relevant exception from, or are not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have such registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

In particular, this document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares under the Offer may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

## FINANCIAL INFORMATION AND AMOUNTS

All financial amounts contained in this Prospectus are expressed in Australian Dollars (**Australian Dollars** or **\$**), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Section 5 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in section 5.8.

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is contained in this Prospectus at section 10.

## DISCLAIMER

No person should rely on any information that is not contained in this Prospectus for making a decision as to whether to acquire Shares under the Offer. No person is authorised by the Company or the Lead Manager to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer.

This Prospectus may contain forward-looking statements concerning the Company's business, operations, financial performance and condition, as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and Management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences between forward-looking statements and actual performance include, but are not limited to, the risks described in section 4 (Investment Risks) of this Prospectus.

You are urged to consider the risk factors carefully for evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the information and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

## EXPOSURE PERIOD

The *Corporations Act 2001* (Cth) (**Corporations Act**) prohibits the Company from processing applications to subscribe for Shares under the Offer (**Application**) during the seven-day period after the date of lodgement of this Prospectus (**Exposure Period**). This period may be extended by ASIC for a further seven days. This period is an Exposure Period to enable market participants to examine this Prospectus prior to the raising of funds under the Offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

## ELECTRONIC PROSPECTUS

This Prospectus, with an accompanying Application Form, may be viewed online at [www.loderesources.com](http://www.loderesources.com). The Offer constituted by this Prospectus in electronic form are only available to Australian residents accessing an electronic version of this Prospectus in Australia. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

## PRIVACY

By completing an Application Form, you consent to the collection, use and disclosure of your personal information as summarised below.

**Collection of your personal information** – We collect personal information about you so that we can administer our dealings with you, provide you with Company information, products and services, service your needs as a Shareholder (if you become one), carry out appropriate administration of your Application and deal with any requests that you may have. If we do not collect your personal information, we may be unable to deal with your request or provide you with services and benefits, and we may not be able to process your Application.

**Disclosure of your personal information** – We may disclose your personal information to third parties, such as our Share Registry, the Lead Manager, the Company's financial advisor, auditors, Management, legal and other professional advisors, service providers, suppliers, insurers, IT providers who run our IT services, payment processors who process payments, marketing providers who provide marketing and public relations services, and if we are required to by law.

## COMPANY WEBSITE

Any references to documents included on the Company Website are provided for convenience only, and none of the documents or other information on the website are incorporated in this Prospectus by reference unless specified in this Prospectus.

## DEFINITIONS AND ABBREVIATIONS

Defined terms and abbreviations used in this Prospectus and not otherwise defined herein are defined and explained in the Glossary in section 13.

## REFERENCES TO TIME

All references to time in this Prospectus refer to the time in Sydney, Australia unless stated otherwise.

## PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus that do not have any description are for illustration or design purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the Company owns the assets shown. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

## COMPETENT PERSON STATEMENT

The information contained in the Independent Geologist's Report in section 6 is based on and fairly reflects information compiled and conclusions derived by Mr Murray Hutton, a Competent Person who is a member of the Australian Institute of Geoscientists and Principal Consultant at Geos Mining.

Mr Murray Hutton is appropriately qualified and has sufficient experience in the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to act in the following capacities:

- a Competent Person as defined by the JORC Code 2012; and
- an Independent Specialist as defined in the VALMIN Code 2015 & ASIC Regulatory Guide 111.

Mr Murray Hutton consents to the inclusion in the Prospectus of the abovementioned matters in the form and context in which it appears.

# Key Offer Information

## KEY OFFER DATES

Table 1: Key Offer Dates

Lodgement of Prospectus with ASIC	13 April 2021
Opening Date of the Offer	28 April 2021
Closing Date of the Offer	10 May 2021
Settlement date of the Offer	13 May 2021
Allotment and issue of Shares under the Offer	17 May 2021
Expected date for dispatch of holding statements	20 May 2021
Expected commencement of trading on ASX	25 May 2021

**Note:** This timetable is indicative only. Unless otherwise indicated, all times given are Sydney time. The Company reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). If the Offer is cancelled or withdrawn before Completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

## PROPOSED USE OF FUNDS

Table 2: Uses of funds

USE OF FUNDS	MINIMUM SUBSCRIPTION		MAXIMUM SUBSCRIPTION	
	\$	%	\$	%
Exploration	\$2,809,200	56.18%	\$5,118,200	68.24%
Working Capital	\$1,472,800	29.46%	\$1,506,800	20.09%
Costs of the Offer	\$718,000	14.36%	\$875,000	11.67%
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>100.00%</b>	<b>\$7,500,000</b>	<b>100.00%</b>

**Note:** The above Table 2 is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above Table 2 may change depending on a number of factors, including the outcome of sales success, operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

## KEY OFFER STATISTICS

Table 3: Key Offer Statistics

	MINIMUM SUBSCRIPTION	MAXIMUM SUBSCRIPTION
Offer Price per Share	\$0.20	\$0.20
Shares available under the Offer	25,000,000	37,500,000
Offer Proceeds <sup>(a)</sup>	\$5,000,000	\$7,500,000
Shares on issue prior to the Offer	54,390,002	54,390,002
Total number of Shares on issue at completion of the Offer (on an undiluted basis) <sup>(b)</sup>	79,390,002	91,890,002
Total Options on issue upon the Official Quotation <sup>(c)</sup>	1,000,000	2,000,000
Indicative market capitalisation of the Company at completion of the Offer (on an undiluted basis) <sup>(d)</sup>	\$15,878,000	\$18,378,000

**Notes:**

- (a) The estimated costs of the Offer of between \$718,000 and \$875,000 are described in section 2.7 and set out in section 12.4.
- (b) Refer to section 2.3 for further details relating to the proposed capital structure of the Company immediately following the Offer, including the scenario of a fully diluted capital structure.
- (c) If the Company raises more than \$6,000,000 but less than \$7,500,000, the Lead Manager will be entitled to receive 400,000 Options. See sections 9.6, 9.7 and 11.5 for further details of the Options to be issued to Non-Executive Directors and the Lead Manager.
- (d) Figures are based on the Offer Price and total number of Shares on issue immediately following the Offer.

# Letter from the Chair

Dear Investors

On behalf of the directors of Lode Resources Ltd (**the Company**) it gives me great pleasure to present this Prospectus for the Company's IPO Offer to raise between \$5,000,000 and \$7,500,000 (before costs) and I invite you to become a Shareholder of the Company.

Lode was established for the primary purpose of exploring and acquiring gold, copper and silver exploration tenements in the New England Fold Belt of NSW, Australia. The Company's objective is to create wealth for its Shareholders through the acquisition of prospective tenure and commercial exploration success.

We believe the exploration team we have assembled, and our prospective portfolio of brownfield and greenfield tenure will be the key to our success. The Company is exploring tenements located in the New England Fold Belt in northern NSW and covers an area of more than 950 square kilometres. All the Company's exploration licences are fully granted and fully owned by the Company.

Our six projects have the following key criteria:

- 100% ownership;
- significant preliminary surface work including geochemistry and/or geophysics;
- under drilled and/or open-ended brownfields prospects; and
- demonstrated high grade mineralisation and/or potential for large mineral occurrences.

The company has inherited a significant geological database as well as undertaking its own exploration work. We believe with our highly qualified Board and technical team we have a competitive advantage, and we will continue to use geophysics and geochemistry to discover and enhance drill targets so as to maximise the chances of drilling success. The company believes the Tenements have potential for the discovery of large scale commercially viable gold, copper and silver mineralisation.

Our six projects are:

**Uralla Gold (incorporating Uralla West):** The historical and significant Uralla Goldfield where two mineralisation styles are being targeted, that being high grade mineralised veins and high tonnage mineralisation associated with cupola structures. Previous work has discovered and delineated the former style of mineralisation in high-grade lodes that remain open and many targets including high grade surface samples, defined through preliminary surface work, were not followed up with drilling.

**Webbs Consol Silver:** Webbs Consol is a historical silver mining centre with high grade silver bearing lodes providing attractive targets that are essentially drill ready. Historical records of underground sampling indicated open ended high-grade mineralisation remains at relative shallow depths and subsequent geophysical anomalies were never followed-up by drilling.

**Fender Copper:** This project has four known copper deposits of which the Trough Gully copper mine is a drill ready target. In addition previous exploration surface work has delineated two significant copper anomalies presenting potential large tonnage targets.

**Elsinore Copper:** The project possesses a large 6km regional magnetic and IP anomaly with anomalous base/precious metals in geochemical sampling.

**Thor Gold:** This project contains a large 2km long gold anomaly potentially associated with high level intrusions and/or the surface representation of large and deep crustal structures.

**Tea Tree:** This project covers a historical goldfield which is underexplored with only two drill holes of which one intercepted gold mineralisation but with no follow-up drilling.

This Prospectus is seeking to raise between \$5,000,000 and \$7,500,000 through the issue of Shares at a price of \$0.20 per Share under the Offer. The purpose of the Offer is to provide funds to implement the company's business strategies as detailed in section 3 of this Prospectus.

This Prospectus contains detailed information about the Company, its business, and the Offer.

**The risks of an investment in the Company are set out in section 4 of this Prospectus, and you should pay particular attention to them in light of your personal circumstances and consult with your professional advisors before deciding whether to apply for Shares. The Shares offered in this Prospectus should be considered highly speculative.**

I look forward to you joining us as a Shareholder and sharing in what we believe are exciting and prospective times ahead for the Company.

Yours sincerely



**Andrew Van Heyst**  
*Executive Chair*  
Lode Resources Ltd

# 1

## Section 1

# Investment Overview

### 1.1 BACKGROUND

Topic	Summary	More Information
<b>Who is Lode?</b>	<p>Lode is an Australian public company that was incorporated as a proprietary company limited by shares on 18 November 2019 to serve as the vehicle through which the Tenements are proposed to be explored and developed.</p> <p>The Company converted from a proprietary company limited by shares to a public company limited by shares on 17 December 2020. Lode plans to list on the ASX.</p> <p>Lode holds seven Exploration Licenses (ELs) in the New England Fold Belt located in northern NSW.</p>	Section 3
<b>Why is the Offer being conducted?</b>	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> <li>(a) raise between \$5,000,000 and \$7,500,000 (Offer Proceeds), which are expected to be allocated as follows: <ul style="list-style-type: none"> <li>(i) the Company's expenditure commitments and operating costs in relation to exploration costs of the projects;</li> <li>(ii) general working capital requirements and corporate overhead and administrative costs; and</li> <li>(iii) the costs of the Offer;</li> </ul> </li> <li>(b) provide a market for the Company's Shares;</li> <li>(c) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX;</li> <li>(d) provide the Company with the benefits of an increased profile that arises from being listed; and</li> <li>(e) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.</li> </ul>	Section 2.2

## 1.2 SUMMARY OF LODE'S INTERESTS IN THE TENEMENTS

Topic	Summary	More Information																																
What is Lode’s interest in the Tenements?	The following Tenements are 100% legally and beneficially owned by Lode:	Section 3.1																																
	<table><tr><th>Tenement</th><th>Name</th><th>Status</th><th>% ownership</th></tr><tr><td>EL8933</td><td>Webbs Consol</td><td>Granted</td><td>100%</td></tr><tr><td>EL8980</td><td>Uralla</td><td>Granted</td><td>100%</td></tr><tr><td>EL9087</td><td>Uralla West</td><td>Granted</td><td>100%</td></tr><tr><td>EL9003</td><td>Fender</td><td>Granted</td><td>100%</td></tr><tr><td>EL9004</td><td>Elsinore</td><td>Granted</td><td>100%</td></tr><tr><td>EL9084</td><td>Tea Tree</td><td>Granted</td><td>100%</td></tr><tr><td>EL9085</td><td>Thor</td><td>Granted</td><td>100%</td></tr></table>	Tenement	Name	Status	% ownership	EL8933	Webbs Consol	Granted	100%	EL8980	Uralla	Granted	100%	EL9087	Uralla West	Granted	100%	EL9003	Fender	Granted	100%	EL9004	Elsinore	Granted	100%	EL9084	Tea Tree	Granted	100%	EL9085	Thor	Granted	100%	
	Tenement	Name	Status	% ownership																														
	EL8933	Webbs Consol	Granted	100%																														
	EL8980	Uralla	Granted	100%																														
	EL9087	Uralla West	Granted	100%																														
	EL9003	Fender	Granted	100%																														
	EL9004	Elsinore	Granted	100%																														
	EL9084	Tea Tree	Granted	100%																														
EL9085	Thor	Granted	100%																															

## 1.3 KEY FEATURES OF LODE'S BUSINESS MODEL

Topic	Summary	More Information
What is Lode's vision and strategy?	<p>The Company's vision is to create shareholder value through the exploration and development of high-quality gold, silver and copper deposits in the New England Fold Belt.</p> <p>The Company's strategy is to:</p> <ol style="list-style-type: none"> <li>systematically explore and develop the Company's Tenements in the New England Fold Belt;</li> <li>target large-scale gold, silver and copper mineral systems;</li> <li>use modern exploration methods and best practices in cost effective programs; and</li> <li>advance discoveries to the development stage.</li> </ol>	N/A
What is the nature of Lode's business?	Lode is a junior gold, copper and silver exploration company with ownership of seven Tenements located in the New England Fold Belt, NSW. The Company is led by an experienced team of mining industry professionals that the Company believes will be effective in executing the Company's objectives.	Section 3
What is Lode's growth strategy?	The Company is focussed on exploring its Tenements for major gold, silver and copper discoveries by using modern geophysical exploration methods and improved mineralisation targeting.	N/A
How will Lode finance its start-up and ongoing operations?	<p>The Company believes the Offer Proceeds, together with current cash reserves, will be sufficient to fund the Company's operational requirements and position the Company to achieve its short-term growth strategy and business objectives.</p> <p>The Company will also consider the use of further funding initiatives where appropriate to further accelerate growth or fund specific projects, transactions or expansions.</p>	Section 2.2

Topic	Summary	More Information
How does Lode generate revenue and what are its key expenses?	<p>The Company is seeking to explore and develop the Tenements.</p> <p>As at the date of this Prospectus, the Company has no operating revenue and is unlikely to generate any operating revenue unless and until one of its projects is successfully developed.</p>	Section 5
What are the key dependencies of Lode?	<p>The key dependencies on the Company's business model include:</p> <ul style="list-style-type: none"> <li>(a) completion of the Offer;</li> <li>(a) completing successful exploration of the Tenements to allow the Company to progress the development of the Company's projects;</li> <li>(b) sufficient worldwide demand for gold, silver and copper;</li> <li>(c) its key management team; and</li> <li>(d) the market price of gold, silver and copper remaining higher than the Company's costs of any future production (assuming successful exploration of the projects by the Company).</li> </ul>	N/A
What are the material contracts entered into by Lode?	<p>The material contracts entered into by Lode are:</p> <ul style="list-style-type: none"> <li>■ the Rural Access and Compensation Agreements;</li> <li>■ the Executive Service Agreements – Mr Edward Jan Leschke (<b>Mr Leschke</b>) and Mr Andrew Van Heyst (<b>Mr Van Heyst</b>);</li> <li>■ the Non-Executive Director Letters of Appointment – Mr Keith Mayes (<b>Mr Mayes</b>) and Mr Jason Beckton (<b>Mr Beckton</b>);</li> <li>■ the Project Manager Agreement – Mr Mitchell Tarrant (<b>Mr Tarrant</b>);</li> <li>■ the Lead Manager Mandate – Novus;</li> <li>■ a media services agreement – Media &amp; Capital Partners;</li> <li>■ Company Secretary and acting CFO agreements – Mr Marcelo Mora (<b>Mr Mora</b>);</li> <li>■ the Drilling Contract – Durock Drilling Pty Ltd; and</li> <li>■ professional adviser agreements with: <ul style="list-style-type: none"> <li>■ Thomson Geer;</li> <li>■ Resources Legal;</li> <li>■ Geos; and</li> <li>■ PKF Corporate Finance.</li> </ul> </li> </ul>	Section 11
What is the competition facing the business?	<p>The Company will be involved in a global industry and will be subject to domestic and global competition.</p>	Section 4.2(n)
What are the key advantages of an investment in Lode?	<p>The Directors are of the view that an investment in the Company provides investors, among other advantages, a portfolio of prospective gold, silver and copper projects on granted Tenements. The Directors are confident that the region of NSW where the projects are located, and the industry generally, will offer the Company potential to create value for Shareholders.</p>	N/A

## 1.4 FINANCIAL INFORMATION

Topic	Summary	More Information																																									
What is the historical performance and pro-forma financial position of Lode?	<p>Lode was incorporated in November 2019. The statutory audited historical Statements of Profit or Loss for the period ending 30 June 2020 and the half year ended 31 December 2020 are set out in section 5. The statutory audited historical Statements of Cash Flows of the Company for the period ending 30 June 2020 and the half year ended 31 December 2020 are set out in section 5.</p> <p>Lode’s statutory historical Statements of Income are summarised below:</p> <p><b>Table 4: Summarised Historical Statements of Profit or Loss and other Comprehensive Income</b></p> <table><tr><th>Six months ended 31 December 2020</th><th>AU\$</th></tr><tr><td>Revenue</td><td>Nil</td></tr><tr><td>Costs</td><td>83,711</td></tr><tr><td><b>Net (loss) after tax</b></td><td><b>83,711</b></td></tr></table> <p>Lode’s statutory historical Statements of Financial Position are summarised below.</p> <p><b>Table 5: Summarised Historical Statements of Financial Position</b></p> <table><tr><th>As at 31 December 2020</th><th>AU\$</th></tr><tr><td>Total assets</td><td>992,491</td></tr><tr><td>Total liabilities</td><td>33,059</td></tr><tr><td><b>Net assets</b></td><td><b>959,432</b></td></tr></table> <p>On a pro-forma basis, following the Offer, Lode’s financial position as at 31 December 2020 is:</p> <p><b>Table 6: Summarised pro-forma statement of financial position</b></p> <table><tr><th></th><th>Pro-forma unaudited AU\$</th><th>Pro-forma unaudited AU\$</th></tr><tr><th></th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr><tr><td>Total assets</td><td>5,274,491</td><td>7,617,491</td></tr><tr><td>Total liabilities</td><td>33,059</td><td>33,059</td></tr><tr><td><b>Net assets</b></td><td><b>5,241,432</b></td><td><b>7,584,432</b></td></tr></table> <p>Lode’s statutory Statements of Cash Flows are summarised below.</p> <p><b>Table 7: Summarised Historical Statement of cashflows</b></p> <table><tr><th>Six months ended 31 December 2020</th><th>AU\$</th></tr><tr><td>Operating cash-flow</td><td>(76,714)</td></tr><tr><td>Investing activities</td><td>(190,564)</td></tr><tr><td>Financing activity</td><td>547,970</td></tr><tr><td><b>Net change in cash</b></td><td><b>280,692</b></td></tr></table> <p>After the transaction costs and following closing of the Offer, the Company is expected to have a pro-forma balance of cash and cash equivalents of approximately \$7,347,256.</p>	Six months ended 31 December 2020	AU\$	Revenue	Nil	Costs	83,711	<b>Net (loss) after tax</b>	<b>83,711</b>	As at 31 December 2020	AU\$	Total assets	992,491	Total liabilities	33,059	<b>Net assets</b>	<b>959,432</b>		Pro-forma unaudited AU\$	Pro-forma unaudited AU\$		Minimum Subscription	Maximum Subscription	Total assets	5,274,491	7,617,491	Total liabilities	33,059	33,059	<b>Net assets</b>	<b>5,241,432</b>	<b>7,584,432</b>	Six months ended 31 December 2020	AU\$	Operating cash-flow	(76,714)	Investing activities	(190,564)	Financing activity	547,970	<b>Net change in cash</b>	<b>280,692</b>	Section 5
	Six months ended 31 December 2020	AU\$																																									
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Financing activity	547,970																																										
<b>Net change in cash</b>	<b>280,692</b>																																										

<b>How has Lode performed over the past 12 months?</b>	<p>The Company was only recently incorporated and has no operating history and limited historical financial performance.</p> <p>As a result, the Company is not in a position to disclose any key financial ratios other than as provided in section 5.</p> <p>Given the Company's limited operating history the Board does not consider that the financial history is a relevant guide to the future performance post listing on the ASX.</p>	Section 5
<b>What is the financial outlook for Lode?</b>	<p>Given the current status of the Company's projects and the speculative nature of mineral exploration, the Directors do not consider it appropriate to forecast future earnings.</p> <p>Any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 5
<b>Will Lode be adequately funded after Completion of the Offer?</b>	<p>The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives detailed in this Prospectus.</p>	Section 5

## 1.5 SUMMARY OF KEY INVESTMENT RISKS

Topic	Summary	More Information
<b>What are the key risks for Lode?</b>	<p>There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price.</p> <p><b>Details about those risks listed below and other risks associated with an investment in Lode are set out in Section 4.</b></p> <p><b>Exploration and evaluation risk</b></p> <p>The future value of the Company will depend on its ability to find and develop resources that are economically recoverable within the Company's Tenements. Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that economic mineralisation will be found, and if found, that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposits, such as size, grade, metallurgy, strip ratios and proximity to infrastructure as well as external factors such as supply and demand. This, along with other factors such as maintaining title to Tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.</p>	Section 4

Topic	Summary	More Information
<p><b>What are the key risks for Lode?</b> (continued)</p>	<p><b>No history of production</b></p> <p>The Company's Tenements are at exploration stage only. The Company has never had any direct material interest in mineral producing properties. There is no assurance that commercial quantities of resources will be discovered at any of the Tenements or any future Tenements, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results.</p> <p><b>Environmental risks</b></p> <p>The Company's operations and projects are subject to laws and regulations that set standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.</p> <p>As with most exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.</p> <p>There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations, policies and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.</p> <p><b>Tenement risks</b></p> <p>The rights to mineral Tenements carry with them various obligations that the holder is required to comply with in order to ensure the continued good standing of the Tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment, community and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a Tenement or Tenements.</p> <p>There is no guarantee that future Tenement applications or existing Tenement renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration Tenements.</p>	

Topic	Summary	More Information
<p><b>What are the key risks for Lode?</b> (continued)</p>	<p><b>Changes in commodity price</b></p> <p>The Company's possible future revenues may be derived mainly from gold, silver and copper and/or from royalties gained from potential joint ventures or other arrangements.</p> <p>Consequently, the Company's potential future earnings will likely be closely related to the price of gold, silver and copper.</p> <p>If, for example, the Company is producing gold, silver and copper and the market price of gold, silver or copper were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and could have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.</p> <p><b>Land access risk</b></p> <p>Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective Tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.</p> <p>Access to land for exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.</p> <p><b>Reliance on key personnel</b></p> <p>Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.</p> <p>Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.</p> <p><b>Grant of future authorisations to explore and mine</b></p> <p>If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit.</p> <p>There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.</p>	

Topic	Summary	More Information
<b>What are the key risks for Lode?</b> <i>(continued)</i>	<p><b>Government policy</b></p> <p>Changes in relevant foreign investment, taxation, interest rates, other legal, legislative and administrative regimes, and government policies in NSW or at the federal level, may have an adverse effect on both the nature and extent of permitted investment by foreign investors and the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the level of foreign investment in the Company and the financial performance of the Company and the market price of its securities.</p> <p>Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in NSW and, potentially, other jurisdictions. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the Tenements.</p> <p><b>COVID-19 impact risk</b></p> <p>The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, gold and base metal prices and foreign exchange rates.</p> <p>While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.</p> <p>Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.</p>	

## 1.6 DIRECTORS AND KEY MANAGEMENT

Topic	Summary	More Information
<b>Who are the Directors of Lode?</b>	<p>The Board of Directors comprises:</p> <ul style="list-style-type: none"> <li>(a) Mr Andrew Van Heyst – Executive Chair;</li> <li>(b) Mr Edward Jan Leschke – Managing Director;</li> <li>(c) Mr Keith Mayes – Non-Executive Director; and</li> <li>(d) Mr Jason Beckton – Non-Executive Director.</li> </ul>	Section 9.1
<b>Who are the key members of Management?</b>	<p>Management comprises:</p> <ul style="list-style-type: none"> <li>(a) Mr Marcelo Mora – Company Secretary and acting CFO;</li> <li>(b) Mr Mitchell Tarrant – Project Manager;</li> <li>(c) Mr Andrew Van Heyst – Executive Chair; and</li> <li>(d) Mr Edward Jan Leschke – Managing Director.</li> </ul>	Sections 9.1 & 9.2

## 1.7 KEY PEOPLE, INTERESTS AND BENEFITS

Topic	Summary	More Information	
Who are the Substantial Shareholders of Lode and what will their interest be after Completion of the Offer?	The current Substantial Shareholders of the Company and their interests on completion of the Offer (assuming that these Substantial Shareholders do not apply for Shares under the Offer):	Section 2.5	
	Table 8: Substantial Shareholders		
What are the Directors' interests in the securities of the Company?	Upon the Official Quotation, the Directors' interests (either direct or indirect) in the securities of the Company are set out as below:	Section 2.4	
	Table 9: Directors' interests in the Company		

Topic	Summary	More Information															
What benefits are payable to the Directors and Management?	<p>The Company has entered into management agreements with each of the following non-directors of the Company:</p> <ul style="list-style-type: none"> <li>(a) Mr Marcelo Mora; and</li> <li>(b) Mr Mitchell Tarrant.</li> </ul> <p>The Company has entered into the Executive Service Agreements with:</p> <ul style="list-style-type: none"> <li>(a) Mr Edward Jan Leschke; and</li> <li>(b) Mr Andrew Van Heyst.</li> </ul> <p>The Company has also entered into the Non-Executive Director Letters of Appointment with:</p> <ul style="list-style-type: none"> <li>(a) Mr Keith Mayes; and</li> <li>(b) Mr Jason Beckton.</li> </ul> <p>The Directors are entitled to the following remuneration and fees:</p> <p><b>Table 10: Directors' Remuneration</b></p> <table> <tr> <th>Director</th><th>Fees (per annum)</th><th>Other</th></tr> <tr> <td>Mr Edward Jan Leschke</td><td>\$200,000 excluding superannuation</td><td>Nil</td></tr> <tr> <td>Mr Andrew Van Heyst</td><td>\$125,000 excluding superannuation</td><td>Nil</td></tr> <tr> <td>Mr Keith Mayes</td><td>\$50,000 including superannuation but exclusive of GST</td><td>500,000 Options</td></tr> <tr> <td>Mr Jason Beckton</td><td>\$50,000 including superannuation but exclusive of GST</td><td>500,000 Options</td></tr> </table> <p><b>Notes:</b> For further details on Options granted to the Non-Executive Directors, please refer to sections 9.6 and 9.7.</p>	Director	Fees (per annum)	Other	Mr Edward Jan Leschke	\$200,000 excluding superannuation	Nil	Mr Andrew Van Heyst	\$125,000 excluding superannuation	Nil	Mr Keith Mayes	\$50,000 including superannuation but exclusive of GST	500,000 Options	Mr Jason Beckton	\$50,000 including superannuation but exclusive of GST	500,000 Options	Section 9
Director	Fees (per annum)	Other															
Mr Edward Jan Leschke	\$200,000 excluding superannuation	Nil															
Mr Andrew Van Heyst	\$125,000 excluding superannuation	Nil															
Mr Keith Mayes	\$50,000 including superannuation but exclusive of GST	500,000 Options															
Mr Jason Beckton	\$50,000 including superannuation but exclusive of GST	500,000 Options															
What escrow arrangements will be in place as at Completion of the Offer?	<p>The Company does not expect that there will be any voluntary escrow arrangements.</p> <p>Subject to the Company being admitted to the Official List, the Company anticipates that certain Shares and Options on issue prior to the Official Quotation will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of the Official Quotation.</p> <p>Upon the Official Quotation, it is expected that approximately 48.65 million Shares, representing 61.28% of the total issued capital of the Company if the Minimum Subscription is raised or 52.94% of the total issued capital of the Company if the Maximum Subscription is raised on an undiluted basis, will be subject to ASX mandatory escrow arrangements. It is also expected that certain Options will also be subject to ASX mandatory escrow arrangement.</p> <p>The Company's free float at the time of listing is expected to be not less than 20%.</p> <p>See section 12.2 for further details in relation to the Company's escrow arrangements.</p>	Section 12.2															

Topic	Summary	More Information
What corporate governance policies does Lode have in place?	A summary of the Company's corporate governance policies is set out in section 10.	Section 10
Are there any significant related party transactions?	<p>The following transactions are related party transactions:</p> <ul style="list-style-type: none"> <li>(a) Executive Service Agreement in respect of Mr Andrew Van Heyst;</li> <li>(b) Executive Service Agreement in respect of Mr Edward Jan Leschke;</li> <li>(c) Non-Executive Director Letter of Appointment in respect of Mr Keith Mayes;</li> <li>(d) Non-Executive Director Letter of Appointment in respect of Mr Jason Beckton; and</li> <li>(e) the Company has adopted an Employee Option Plan which was adopted by the Company on 6 November 2020. The Company has not issued any Options under the Employee Option Plan.</li> </ul>	Section 9.10

## 1.8 KEY TERMS OF THE OFFER

Topic	Summary	More Information																														
Who is the issuer of this Prospectus?	Lode Resources Ltd ACN 637 512 415 is the issuer of this Prospectus.	–																														
What is the Offer?	The Offer under this Prospectus is the offer of between 25,000,000 and 37,500,000 Shares at an issue price of \$0.20 per Share to raise between \$5,000,000 and \$7,500,000 Shares before costs.	Section 2.1																														
At what price will the Shares under the Offer be issued?	\$0.20 per Share.	Section 2.1																														
How will the proceeds of the Offer be used?	<p>The Company expects the Offer Proceeds to be allocated as follows:</p> <p><b>Table 11: Use of funds</b></p> <table><tr><th></th><th colspan="2">Minimum Subscription</th><th colspan="2">Maximum Subscription</th></tr><tr><th>use of funds</th><th>\$</th><th>%</th><th>\$</th><th>%</th></tr><tr><td>Exploration</td><td>\$2,809,200</td><td>56.18%</td><td>\$5,118,200</td><td>68.24%</td></tr><tr><td>Working Capital</td><td>\$1,472,800</td><td>29.46%</td><td>\$1,506,800</td><td>20.09%</td></tr><tr><td>Costs of the Offer</td><td>\$718,000</td><td>14.36%</td><td>\$875,000</td><td>11.67%</td></tr><tr><td><b>TOTAL</b></td><td><b>\$5,000,000</b></td><td><b>100.00%</b></td><td><b>\$7,500,000</b></td><td><b>100.00%</b></td></tr></table>		Minimum Subscription		Maximum Subscription		use of funds	\$	%	\$	%	Exploration	\$2,809,200	56.18%	\$5,118,200	68.24%	Working Capital	\$1,472,800	29.46%	\$1,506,800	20.09%	Costs of the Offer	\$718,000	14.36%	\$875,000	11.67%	<b>TOTAL</b>	<b>\$5,000,000</b>	<b>100.00%</b>	<b>\$7,500,000</b>	<b>100.00%</b>	Section 2.2
	Minimum Subscription		Maximum Subscription																													
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<b>TOTAL</b>	<b>\$5,000,000</b>	<b>100.00%</b>	<b>\$7,500,000</b>	<b>100.00%</b>																												

Topic	Summary	More Information
Who is eligible to participate in the Offer?	The Offer is open to all investors with a registered address in Australia.	Section 2.6
Is the Offer underwritten?	No, the Offer is not underwritten.	N/A
What are the key dates of the Offer?	<p>Applications open – 28 April 2021</p> <p>Applications close – 10 May 2021</p> <p>Allotment and issue of Shares – 17 May 2021</p> <p>Dispatch of holding statements – 20 May 2021</p> <p>Listing of Shares on the ASX – 25 May 2021</p> <p>These dates are indicative only. The Company reserves the right to vary the dates and times of the Offer, including the Closing Date, without notifying any recipient of this Prospectus, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Applicants are encouraged to submit their Applications as early as possible after the Offer opens.</p>	Key Offer Information
What are the costs of the Offer and who is paying them?	The total estimated costs of the Offer, which will be borne by the Company, are estimated to be between \$718,000 and \$875,000.	Section 12.4
When will I receive dividends on the Shares?	<p>The Company is a junior gold, copper and silver explorer and anticipates that significant expenditure will be incurred in the evaluation and development of the Company's projects. These activities are expected to dominate the period following the date of this Prospectus. Accordingly, the Company does not intend to declare a dividend in the coming financial year.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p>	Section 5.7
When will I receive confirmation that my Application has been successful?	Holding statements, confirming Applicants' allocations under the Offer, are expected to be dispatched to Shareholders on 20 May 2021.	Key Offer Information
What rights and liabilities attach to the Shares to be issued?	All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. The rights and liabilities attaching to the Shares are described in section 12.	Sections 2.1 and 12
How can I contact the Company?	For contact details, see the Corporate Directory at the end of this Prospectus.	Section 14

Topic	Summary	More Information
<b>What is the Company's capital structure as at the date of the Prospectus and at completion of the Offer?</b>	<p>As at the date of the Prospectus, the Company currently has 54,390,002 Shares on issue and no other securities on issue.</p> <p>The Company's capital structure on completion of the Offer is set out in section 2.3 of this Prospectus.</p> <p>It is noted that, at completion of the Offer, the Company will issue:</p> <p>(a) 1,000,000 Options if the Company raises \$5,000,000;</p> <p>(b) 1,400,000 Options if the Company raises between \$6,000,000 and \$7,499,000; or</p> <p>(c) 2,000,000 Options if the Company raises \$7,500,000.</p>	Section 2.3
<b>What will the market capitalisation of the Company be upon listing on the ASX?</b>	The undiluted market capitalisation of the Company on listing is expected to be \$15,878,000 if the Minimum Subscription is raised and \$18,378,000 if the Maximum Subscription is raised.	Key Offer Statistics
<b>What is the allocation policy applicable to the Offer?</b>	The allocation of Shares under the Offer will be determined by agreement between the Company and the Lead Manager.	Section 2.8
<b>Is there a Minimum Subscription and what is the Minimum Application under the Offer?</b>	<p>Yes. For the Offer to proceed, valid Applications for no less than 25,000,000 Shares must be received by the Company.</p> <p>The Minimum Application per Applicant under the Offer is \$2,000 constituted by 10,000 Shares.</p>	Section 2.1
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	No brokerage or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.	Section 2.7
<b>What are the tax implications of investing in Lode?</b>	The taxation implications of investing in Shares will depend on the investor's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing.	Section 12.5
<b>Can the Offer be withdrawn?</b>	<p>The Company reserves the right not to proceed with the Offer at any time before the issue and transfer of Shares to successful Applicants.</p> <p>If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.</p>	Section 2.9
<b>Will the Shares be quoted on the ASX?</b>	The Company will apply to the ASX for its admission to the Official List and quotation of the Shares on the ASX (expected under the code "LDR") within seven days of the date of this Prospectus.	Section 12.7
<b>Where can I find more information about this Prospectus or the Offer?</b>	<p>If you have any questions in relation to the Offer, you can contact Ben Henri from Media &amp; Capital Partners at <a href="mailto:Ben.Henri@mcpartners.com.au">Ben.Henri@mcpartners.com.au</a> or 0473 246 040 or Nicholas Kapes, Director at Novus Capital, who can be contacted at <a href="mailto:Nick.Kapes@novuscapital.com.au">Nick.Kapes@novuscapital.com.au</a> or on 0438 354 443 between 9:00am and 5:00pm (Sydney time), Monday to Friday.</p> <p><b>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your accountant, financial advisor, tax advisor, stock broker, lawyer or other professional advisor before deciding whether to invest in the Shares.</b></p>	Section 2.18

# 2



MINERALISATION AT HUDSON'S PROSPECT, URALLA GOLD PROJECT

## Section 2

# Details of the Offer

This section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

### 2.1 THE OFFER

This Prospectus constitutes an offer by the Company of between 25,000,000 and 37,500,000 Shares at an issue price of \$0.20 per Share to raise between \$5,000,000 and \$7,500,000 before costs.

The Shares offered under this Prospectus will be issued as fully paid ordinary shares and, when issued, will rank equally in all respects with existing Shares.

The Minimum Subscription required for the Offer to proceed is \$5,000,000, being receipt of valid Applications for not less than 25,000,000 Shares. If Applications for the Minimum Subscription are not received by the Company before the end of 4 months from the date of the Prospectus, all Application Monies received pursuant to the Prospectus will be refunded in full to Applicants, without interest, within the time prescribed by the Corporations Act.

### 2.2 PURPOSE OF THE OFFER AND PROPOSED USED OF FUNDS

The purpose of the Offer is to:

- (a) raise between \$5,000,000 and \$7,500,000 (**Offer Proceeds**), which are expected to be allocated as follows:
  - (i) fund the Company's expenditure commitments and operating costs;
  - (ii) general working capital requirements and corporate overhead and administrative costs; and
  - (iii) the costs of the Offer;
- (b) provide a market for the Company's Shares;
- (c) pay the costs of the Offer;
- (d) list on the ASX;
- (e) provide the Company with the benefits of a greater public profile that arises from being listed; and
- (f) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.

Assuming the Offer is fully subscribed at the minimum subscription amount, the Directors are satisfied that upon completion of the Offer, the Company will have sufficient funds to meet its stated objectives.

The proposed use of funds associated with the Offer are as follows:

**Table 12:** Use of funds

Use of funds	Minimum Subscription		Maximum Subscription	
	\$	%	\$	%
Exploration	\$2,809,200	56.18%	\$5,118,200	68.24%
Working Capital	\$1,472,800	29.46%	\$1,506,800	20.09%
Costs of the Offer	\$718,000	14.36%	\$875,000	11.67%
<b>Total</b>	<b>\$5,000,000</b>	<b>100.00%</b>	<b>\$7,500,000</b>	<b>100.00%</b>

Table 12 above is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Board believes that the Company's current cash reserves plus the Offer Proceeds will be sufficient to fund the Company's short-term business objectives. The Board will consider the use of further equity funding if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

## 2.3 CAPITAL STRUCTURE UPON THE OFFICIAL QUOTATION

Upon the Official Quotation, the total issued capital of the Company will be as set out in the table below:

**Table 13:** Diluted and undiluted Share capital on completion of Offer

Shareholder	Minimum Subscription		Maximum Subscription	
	Number	% of total issued capital (on an undiluted basis)	Number	% of total issued capital (on an undiluted basis)
Shares currently on issue	54,390,002	68.51%	54,390,002	59.19%
Shares under the Offer	25,000,000	31.49%	37,500,000	40.81%
<b>Total number of Shares on issue</b>	<b>79,390,002</b>	<b>100.00%</b>	<b>91,890,002</b>	<b>100.00%</b>
Number of Options on issue	1,000,000	N/A	2,000,000	N/A
<b>Number of Shares on a fully diluted basis</b>	<b>80,390,002</b>	<b>N/A</b>	<b>93,890,002</b>	<b>N/A</b>

Upon the Official Quotation, the Company will have the following Options on issue:

- (a) 500,000 Options held by **each** Non-Executive Director (each with an exercise price of \$0.30 and an expiry date of 2 years from listing), which will be issued pursuant to the Non-Executive Director Letters of Appointment as described in sections 9.6 and 9.7; and
- (b) if:
  - (i) \$5,000,000 is raised under the Offer, no Options held by the Lead Manager;
  - (ii) between \$6,000,000 and \$7,499,999 is raised under the Offer, 400,000 Options held by the Lead Manager (each with an exercise price of \$0.30 and an expiry date of 2 years from listing); or
  - (iii) \$7,500,000 is raised under the Offer, 1,000,000 Options held by the Lead Manager (each with an exercise price of \$0.30 and an expiry date of 2 years from listing),

which will be issued pursuant to the Lead Management Mandate as described in section 11.5.

The information in this section 2.3 assumes no other Shares or Options will be issued between the date of this Prospectus and the Official Quotation.

## 2.4 DIRECTORS' INTERESTS UPON THE OFFICIAL QUOTATION

Upon the Official Quotation, the Directors' interests (either direct or indirect) in the securities of the Company are set out as below:

**Table 14:** Directors' Interests in the Company

Shareholder	Shares	% of total issued capital (on an undiluted basis)		Options <sup>(e)</sup>
		Minimum Subscription	Maximum Subscription	
Mr Leschke <sup>(a)</sup>	20,250,001	25.51%	22.00%	Nil
Mr Van Heyst <sup>(b)</sup>	20,250,001	25.51%	22.00%	Nil
Mr Mayes <sup>(c)</sup>	300,000	0.38%	0.30%	500,000
Mr Beckton <sup>(d)</sup>	200,000	0.25%	0.20%	500,000
<b>Total</b>	<b>41,000,002</b>	<b>51.54%</b>	<b>44.50%</b>	<b>1,000,000</b>

**Notes:**

- (a) Mr Edward Jan Leschke's Shares are held by Augusta Enterprises Pty Ltd as trustee for the Augusta Enterprises Trust, which is controlled by Mr Leschke.
- (b) Mr Andrew Van Heyst's Shares are held by Andrew Van Heyst Superannuation Pty Ltd as trustee for the A Van Heyst Private Superannuation Fund, which is controlled by Mr Van Heyst.
- (c) Mr Keith Mayes' Shares are held by Mr Mayes and Ann-Marie Anderson-Mayes as trustees for the Tinhay Family Trust, which is controlled by Mr Mayes.
- (d) Mr Jason Beckton's Shares are held by Gledhill Pty Ltd as trustee for the Beckton Gledhill Family Trust, which is controlled by Mr Beckton.
- (e) For further details on Options granted to Directors, please refer to sections 9.6 and 9.7

The information in this section 2.4 assumes no other Shares or Options will be issued between the date of this Prospectus and the Official Quotation.

## 2.5 EFFECT OF THE OFFER ON CONTROL AND SUBSTANTIAL SHAREHOLDERS

Shareholders holding a Relevant Interest in 5% or more of the Shares on issue as at the date of this Prospectus and on completion of the Offer are set out in the table below. Other than as set out below, none of the Shareholders below have provided a further commitment to participate in the Offer.

**Table 15:** Effect of the Offer on control and Substantial Shareholders

Shareholder	As at date of Prospectus		Post Offer			
			Minimum Subscription		Maximum Subscription	
	Relevant Interest in Shares	% of total issued capital (on an undiluted basis)	Relevant Interest in Shares	% of total issued capital (on an undiluted basis)	Relevant Interest in Shares	% of total issued capital (on an undiluted basis)
Andrew Van Heyst Superannuation Pty Ltd <sup>(a)</sup>	20,250,001	37.23%	20,250,001	25.51%	20,250,001	22.00%
Augusta Enterprises Pty Ltd <sup>(b)</sup>	20,250,001	37.23%	20,250,001	25.51%	20,250,001	22.00%
<b>Total</b>	<b>40,500,002</b>	<b>74.46%</b>	<b>40,500,002</b>	<b>51.01%</b>	<b>40,500,002</b>	<b>44.00%</b>

**Notes:**

- (a) Andrew Van Heyst Superannuation Pty Ltd holds the Shares as trustee for A Van Heyst Private Superannuation Fund, which is controlled the Executive Chair, Mr Andrew Van Heyst; and
- (b) Augusta Enterprises Pty Ltd holds the Shares as trustee for the Augusta Enterprises Trust, which is controlled by the Managing Director, Mr Edward Jan Leschke

## 2.6 APPLICATION AND PAYMENT FOR SHARES

### (a) Who may apply

The Offer is open to persons who have a registered address in Australia.

### (b) How to apply

Applications for Shares under this Prospectus may only be made under the Offer:

- (i) by applying online at [www.advancedsharecom.au/IPO-Offers](http://www.advancedsharecom.au/IPO-Offers) and paying by BPAY®;
- (ii) by completing a printed copy of the Application Form attached to or accompanying this Prospectus and paying by cheque or money order; or
- (iii) by Offer Applicants lodging an Application Form and Application Monies in accordance with the specific direction from a broker.

The Shares under the Offer may only be issued in response to an Application Form. If the Company does not have reasonable grounds to believe that the form was included in or accompanied by the Prospectus when the Application Form was distributed, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

## (c) How to pay

### Apply Online and pay by BPAY®

If you are an eligible investor, and you are applying online, you must complete your online Application by following the instructions and by making a BPAY® payment. If you are applying using a paper copy of the Application Form, you cannot pay for Shares using BPAY®. Instead you must pay by cheque or money order.

Using the BPAY® details provided when you complete your online Application, you need to:

- (i) Access your participating BPAY® financial institution either through telephone banking or internet banking.
- (ii) Select BPAY® and follow the prompts.
- (iii) Enter the biller code supplied.
- (iv) Enter the unique “Customer Reference Number” supplied for each Application.
- (v) Enter the total amount to be paid that corresponds to the number of Shares you wish to apply for under each Application (i.e. the Minimum Application). Note that your financial institution may apply limits on your use of BPAY®. You should enquire about the limits that apply in your own personal situation.
- (vi) Select the account you wish your payment to be made from.
- (vii) Schedule your payment. Note that Applications without payment cannot be accepted.
- (viii) Record your BPAY® receipt number and date paid. Retain these details for your records.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. You will need to check with your financial institution in relation to their BPAY® closing times to ensure that your Application Monies will be received by 5.00pm (Sydney time) on the Closing Date. If you do not pay the Application Monies by this time, your Application will be incomplete and will not be accepted. If you complete your Application by making a BPAY® payment, you do not need to complete or return the paper Application Form. By completing a BPAY® payment, you acknowledge you are applying pursuant to the Application Form.

### Apply by post and pay by cheque or money order

If you do not wish to pay by BPAY®, a paper Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Application Form and Application Monies so that they are received at the following address by 5.00pm (Sydney time) on the Closing Date.

#### By mail to:

Lode Resources Ltd  
C/- Advanced Share Registry  
PO Box 1156  
Nedlands, WA 6909

#### By hand delivery:

Lode Resources Ltd  
C/- Advanced Share Registry  
110 Stirling Highway  
Nedlands, WA 6009

Cheque(s) or money orders must be:

- (i) in Australian currency;
- (ii) drawn at an Australian branch of a financial institution;
- (iii) crossed “Not Negotiable”; and
- (iv) made payable: to “Lode Resources Ltd”.

If paying by cheque(s), Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) for Application Monies (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Monies will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

## (d) Acceptance of Applications

Regardless of the method of Application the Share Registry must receive the relevant Application by no later than the Closing Date (unless the Company varies the dates and times).

Completed BPAY® payment or a completed and lodged paper Application Form constitutes an irrevocable offer to Lode Resources Ltd to subscribe for Shares on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus), and as set out in the Application Form.

The Company reserves the right to:

- (i) reject any Application, including Applications that have not been correctly completed or are accompanied by payments that are dishonoured;
- (ii) accept late Applications received after the Closing Date;
- (iii) allocate to any Applicant a lesser number of Shares than that for which any Applicant applied; and
- (iv) waive or correct any errors made by an Applicant in their Application.

The Directors, subject to the requirements of the ASX Listing Rules and the Corporations Act, reserve the right to:

- (i) close the Offer early without prior notice; or
- (ii) vary any of the important dates set out in this Prospectus, including extending the Offer.

## (e) How to obtain a copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- (i) you can download a copy at [www.loderesources.com](http://www.loderesources.com); or
- (ii) request a copy directly from the Company via email to Ben.Henri@mcpartners.com.au or by calling 0473 246 040 between 9.00am and 5.00pm (Sydney time), Monday to Friday.

## 2.7 FEES AND COSTS ASSOCIATED WITH THE OFFER

No brokerage or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

## 2.8 ALLOCATION POLICY

The Company and the Lead Manager have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.

## 2.9 APPLICATION MONIES

The broker, the Share Registry or the Lead Manager, will hold all Application Monies in trust in a separate account, until Shares are issued to successful Applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

## 2.10 ALLOTMENT

- (a) Allotment of the Shares under this Prospectus will take place as soon as practicable after the closing date of the Offer. Application moneys will be held in a subscription account until allotment.
- (b) This account will be established and kept by the Company in trust for each applicant. Any interest earned on the application moneys will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.

- (c) Where the number of Shares allotted is less than the number applied for, the surplus monies will be returned by cheque within 30 days of the closing date for applications. Where no allotment is made, the amount tendered on application will be returned in full by cheque within 30 days of the closing date for applications. Interest will not be paid on monies refunded.
- (d) The Shares will be allotted and issued and holding statements dispatched to holders as soon as possible after determination by the Company of entitlements, subject to the Minimum Subscription being received and permission for quotation of the Shares on the ASX being granted within 3 months after the date of this Prospectus.

## 2.11 ASX LISTING OF SHARES

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares to be granted Official Quotation by ASX. The Company is not currently seeking a listing of its Shares on any other stock exchange.

The admission of the Company to the Official List of ASX and Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

ASIC and the ASX take no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Shares by 17 May 2021 to successful Applicants as soon as practicable after the Closing Date. Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 20 May 2021. Trading of Shares on the ASX is expected to commence on 25 May 2021 on a normal settlement basis.

If you sell Shares before receiving an initial holding statement, you may contravene the ASX Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker.

## 2.12 CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHES)

The Company will apply to participate in CHES and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHES holders or, where applicable, the securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued. Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHES sub register or through the Share Registry in the case of a holding on the issuer sponsored sub register.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

## 2.13 OVERSEAS DISTRIBUTION

No action has been taken to register or qualify the offer of Shares under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia.

## 2.14 OFFER ONLY MADE WHERE LAWFUL TO DO SO

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares under the Offer may not be offered or sold, in any country outside Australia.

Persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions on acquisition or distribution of this Prospectus. Any failure to comply with these restrictions may constitute a violation of securities laws.

## 2.15 ELECTRONIC PROSPECTUS

The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus within Australia.

An electronic version of this Prospectus is available from the Company at [www.loderesources.com](http://www.loderesources.com).

Persons who receive a copy of this Prospectus in electronic form at [www.loderesources.com](http://www.loderesources.com) are entitled to obtain a paper copy of the Prospectus (including any relevant accompanying Application Form) free of charge, during the Offer period, by contacting Ben Henri from Media & Capital Partners at [Ben.Henri@mcpartners.com.au](mailto:Ben.Henri@mcpartners.com.au) or 0473 246 040 or Nicholas Kapes, Director at Novus Capital, who can be contacted at [Nick.Kapes@novuscapital.com.au](mailto:Nick.Kapes@novuscapital.com.au) or on 0438 354 443 between 9:00am and 5:00pm (Sydney time), Monday to Friday.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

## 2.16 DISCRETION REGARDING THE OFFER

The Company may, in consultation with the Lead Manager, withdraw the Offer, or any part of it, at any time before the allotment of Shares to successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

## 2.17 LEAD MANAGER

Novus Capital Limited (**Novus**) has been appointed as Lead Manager to the Offer. The key terms of the Lead Manager mandate with Novus are summarised in section 11.5.

Nicholas Kapes, Director at Novus Capital, can be contacted at [Nick.Kapes@novuscapital.com.au](mailto:Nick.Kapes@novuscapital.com.au) or on 0438 354 443.

## 2.18 QUESTIONS AND FURTHER INFORMATION

If you have any questions in relation to the Offer, you can contact Ben Henri from Media & Capital Partners at [Ben.Henri@mcpartners.com.au](mailto:Ben.Henri@mcpartners.com.au) or 0473 246 040 or Nicholas Kapes, Director at Novus Capital, can be contacted at [Nick.Kapes@novuscapital.com.au](mailto:Nick.Kapes@novuscapital.com.au) or on 0438 354 443 between 9:00am and 5:00pm (Sydney time), Monday to Friday.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest.



HISTORICAL MAIN SHAFT AND HEAD FRAME AT WEBBS CONSOL SILVER PROJECT



SAMPLES TAKEN FROM WORKINGS NORTH OF WEBBS CONSOL'S MAIN SHAFT

## Section 3

# Overview

## OF THE INDUSTRY, REGION, TENEMENTS AND TENEMENT APPLICATIONS

### 3.1 THE PROJECTS – INTRODUCTION

Lode owns 100% of seven Exploration Licences located in the New England Fold Belt in northern NSW covering a total area of 969.3 km<sup>2</sup>. See Table 16 below and Figure 1 overleaf.

**Table 16:** Summary of Lode's Exploration Licences

Project	Licence	Commodity	Units	Area (km <sup>2</sup> )	Status
Webbs Consol	EL8933	Silver	16	47.8	Granted
Uralla	EL8980	Gold	80	236.5	Granted
Uralla West	EL9087	Gold	22	65.0	Granted
Fender	EL9003	Copper	76	223.3	Granted
Elsinore	EL9004	Copper	32	94.9	Granted
Tea Tree	EL9084	Gold	24	71.0	Granted
Thor	EL9085	Gold	78	230.8	Granted
			<b>328</b>	<b>969.3</b>	

The Company's aim is to discover significant deposits of gold, silver and copper that can be commercially developed and mined. Considerable historical work delivers significant and encouraging geological data, providing an opportunity for discoveries. The broad selection criteria for these projects are:

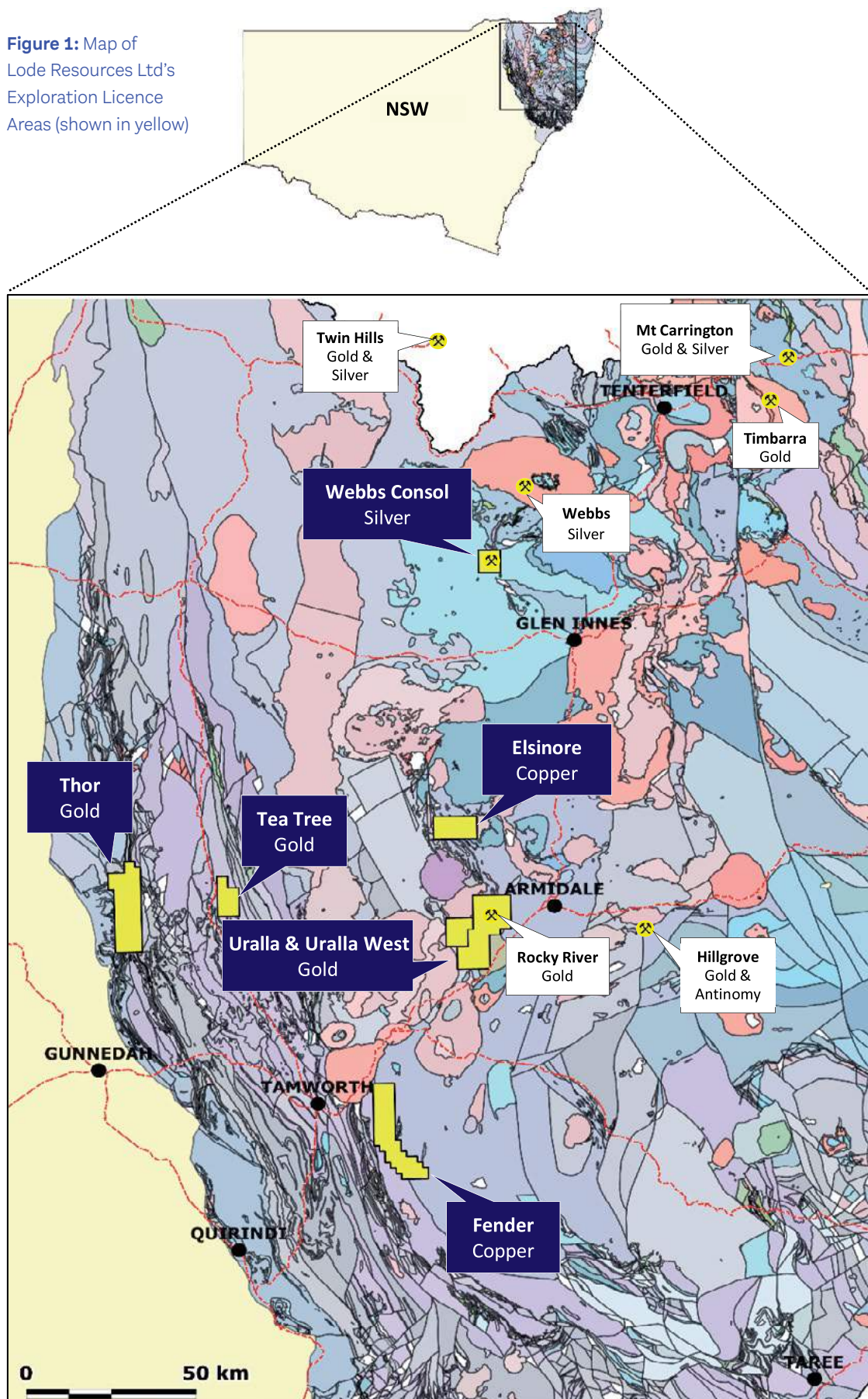
- (a) 100% ownership;
- (b) significant historical geochemistry and/or geophysics;
- (c) under drilled and/or open-ended mineralisation; and
- (d) demonstrated high grade mineralisation and/or potential for large mineral occurrences.

The Company's six projects can be summarised as follow:

- 1 **Uralla Gold (incorporating Uralla West)** – Intrusive Related Gold System (IRGS) constituting an entire significant gold field – **drill ready**;
- 2 **Webbs Consol Silver** – High grade hydrothermal silver bearing lodes, 3 attractive targets – **drill ready**;
- 3 **Fender Copper** – VMS style copper deposit – **drill ready**;
- 4 **Elsinore Copper** – Large regional magnetic and IP anomaly with anomalous base/precious metals in geochemical sampling;
- 5 **Thor Gold** – Large gold anomaly potentially associated with high level intrusions or major regional fault structures; and
- 6 **Tea Tree Gold** – Under-explored goldfield.

An Independent Geologist's Report on Lode's six projects is set out in Section 6.

**Figure 1:** Map of Lode Resources Ltd's Exploration Licence Areas (shown in yellow)

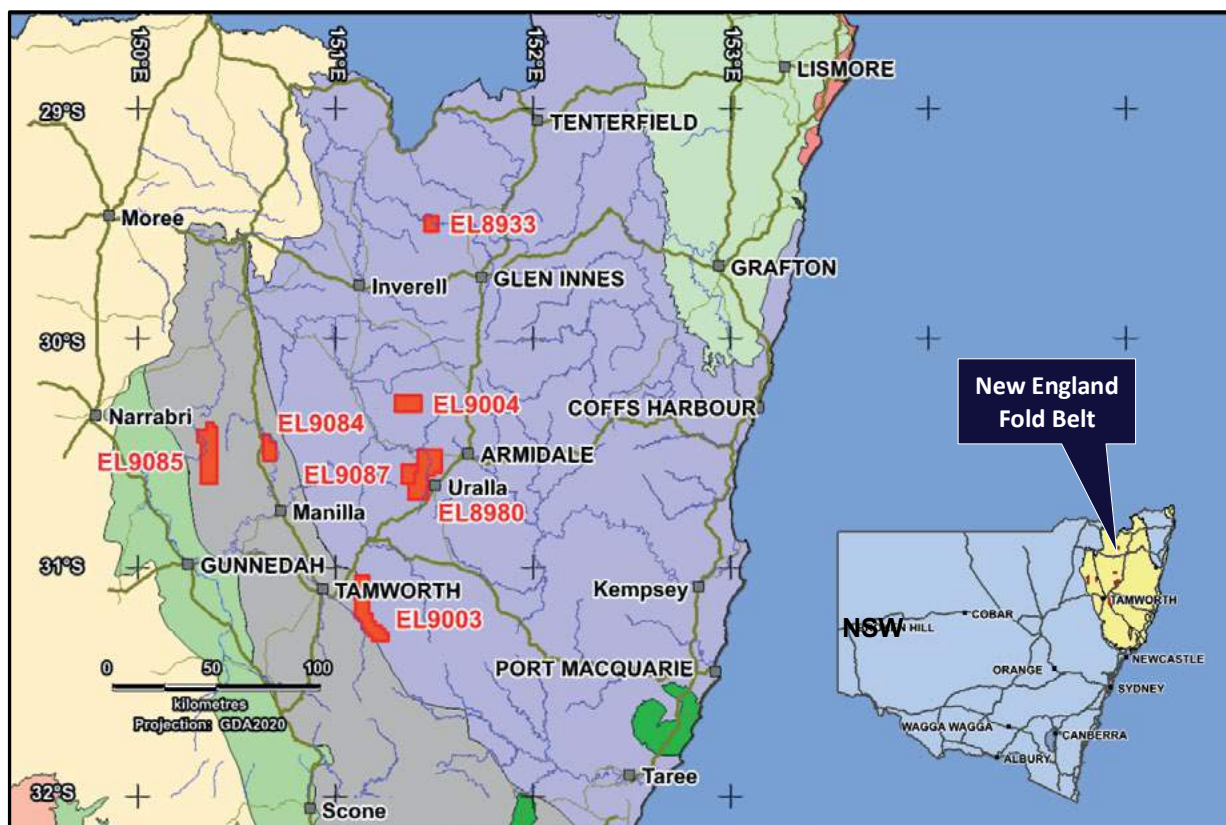


### 3.2 THE NEW ENGLAND FOLD BELT

Lode's tenements lie within the southern part of the New England Fold Belt, also known as the New England Orogeny (NEO), and is an accretionary regime formed along the eastern edge of Gondwana from the Devonian to Triassic periods. The NEO can be described as a complex orogen with ocean island arc, continental margin arc and accretionary sedimentary and volcanic components. The protracted tectonic history including periods of crustal thickening, melting of the juvenile volcanic derived basement to produce the voluminous New England Batholiths and rapid uplift that resulted in incision and exhumation of NEO stratigraphy and intrusive bodies.

The southern part of the NEO consists of the Tamworth Belt to the west and the Central Block to the east, separated by the Peel-Manning Fault Zone. The Tamworth Belt is bounded by crustal-scale Hunter-Mooki and Peel-Manning Fault systems, which together form a belt of deformed Devonian-Carboniferous sediments that were deposited between a volcanic arc in the west and a deep-water accretionary wedge in the east. These depositional elements, which may have been separated from the Australian continent during the Devonian-Middle Carboniferous, were deformed during the Permian and Triassic by up to four folding events separated by episodes of granitoid emplacement. See Figure 2 below.

**Figure 2: Regional Geological Setting**



The New England Fold Belt holds considerable potential for economic mineralisation, despite the fact that only one gold mine is currently operating in the region. The most significant mining period was from the 1850s up to World War 1. However, subsequent exploration has lagged when compared to the Lachlan Fold Belt. Lode's exploration licences contain mineral deposits exhibiting several styles of mineralisation:

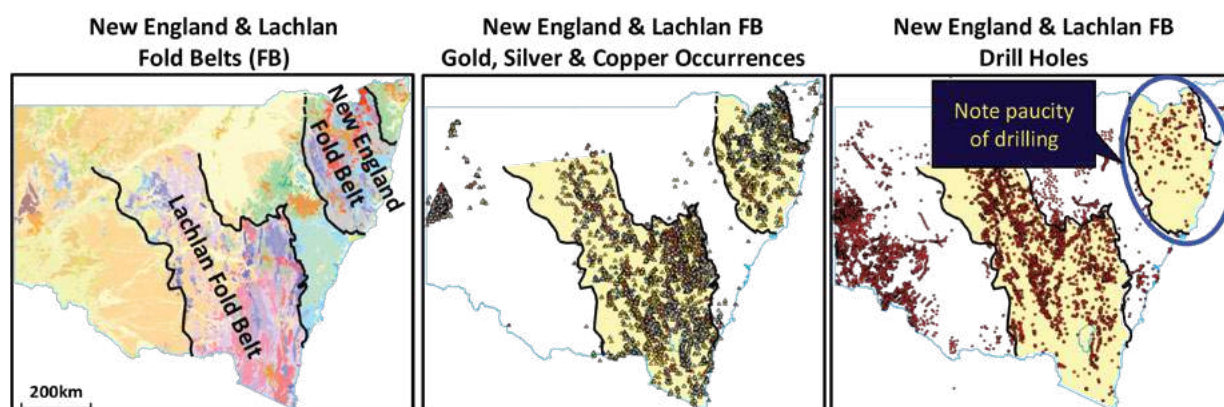
- intrusion-related gold – Uralla and Uralla West;
- hydrothermal silver-lead-zinc veins – Webbs Consol;
- submarine volcanic exhalative sulphides – Fender, Elsinore;
- orogenic gold-antimony mineral systems – Tea Tree, Thor; and
- alluvial gold deposits.

To date modern exploration in the New England Fold Belt has mostly consisted of geological mapping, surface geochemistry, minor geophysics and shallow drilling around historical workings. The New England Fold Belt has just one exploration hole for every 13 holes drilled in the Lachlan Fold Belt which suggests that this region is under explored by modern day standards. Exploration companies and the NSW Government have compiled a significant amount of information on a regional scale, but follow-up of anomalous responses have been limited and largely lacking in direction. As a result, the region can be regarded as underexplored by modern day standards. See Table 17 and Figure 3 below.

**Table 17:** Comparison of drilling in the New England and Lachlan Fold Belts (as of December 2020)

Fold Belt	Area (000's km <sup>2</sup> )	Holes Drilled	Metres Drilled (000's m)
New England	91.1	5,497	493.3
Lachlan	182.1	70,831	2,791.8

**Figure 3:** Comparison of drilling in the New England and Lachlan Fold Belts



However, most recently the New England Fold Belt has experienced a massive resurgence in exploration interest. Just in the last year the area under exploration title has grown from 7,296 km<sup>2</sup> to 17,322km<sup>2</sup>, an increase of 137%. Companies acquiring ground include a number from North America with the largest being Newmont Australia Pty Ltd (**Newmont**). Gold companies of this ilk typically target multi-million-ounce gold deposits. Lode has the advantage of being a front runner of this wave and has acquired exploration projects in the New England Fold Belt where much of the early work has already been completed.

### 3.3 EXPLORATION BUDGET

Lode has a planned exploration programs totalling \$2.8m for a minimum subscription of \$5m or \$5.1m for a maximum subscription of \$7.5m, as summarised in Table 18 below.

**Table 18:** Summary of Lode's Planned Exploration Expenditures

Project	Minimum Subscription		Maximum Subscription	
	Year 1	Year 2	Year 1	Year 2
Webbs Consol (EL8933)	241,200	321,600	347,100	422,900
Uralla (EL8980 and EL9087)	332,800	322,400	459,200	423,800
Fender (EL9003)	229,400	321,600	334,900	422,800
Elsinore (EL9004)	26,500	28,400	46,500	328,900
Tea Tree (EL6016)	35,300	20,000	46,500	328,900
Thor (EL6020)	36,800	20,000	58,000	328,900
Miscellaneous	278,000	228,800	510,300	391,900
Contingency 15%	177,000	189,400	270,400	397,200
<b>1 Year Total</b>	<b>1,357,000</b>	<b>1,452,200</b>	<b>2,072,900</b>	<b>3,045,300</b>
<b>2 Year Total</b>	<b>2,809,200</b>		<b>5,118,200</b>	

The funds raised in the IPO will used for exploration activities at all Lode's exploration properties and includes between 6,000 metres and 12,000 metres of drilling over two years as outlined below:

**(a) Scenario 1: IPO - \$5m minimum subscription**

- (i) IPO raising \$5m
- (ii) drilling commences 2Q21
- (iii) 48 drill holes
- (iv) 6,000m of drilling
- (v) 3 projects drilled in 2021
- (vi) 3 projects drilled in 2022

**(b) Scenario 2: IPO - \$7.5m maximum subscription**

- (i) IPO raising \$7.5m
- (ii) drilling commences 2Q21
- (iii) 90 drill holes
- (iv) 12,000m of drilling
- (v) 3 projects drilled in 2021
- (vi) 6 projects drilled in 2022

Subsequent to the completion of the IPO it is Lode's intention to commence drilling as soon as it is practical at the Webbs Consol Silver, Uralla Gold and Fender (Trough Gully) Copper project locations.

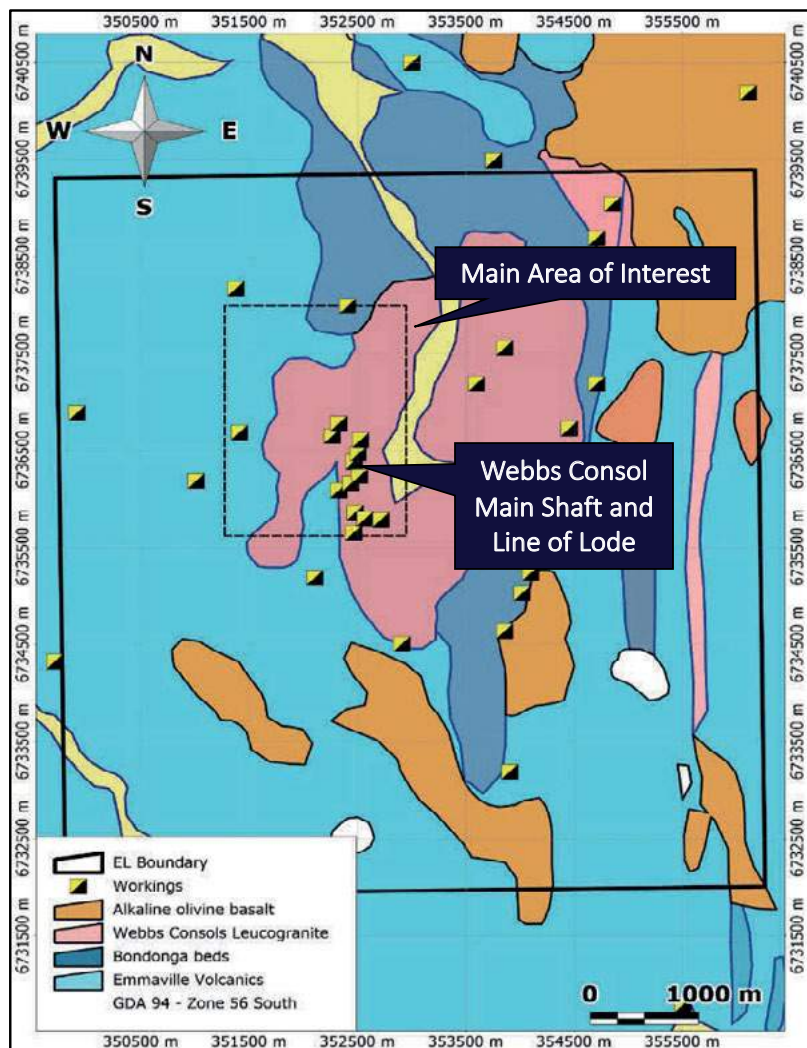
### 3.4 WEBBS CONSOL SILVER

Located 16km west-south-west of Emmaville, Webbs Consol was discovered in 1890 with intermittent mining up to the mid 1950s. The Webbs Consol Silver Project (EL8933) contains several small, but high grade, silver-lead-zinc-gold deposits hosted by the Webbs Consol Leucogranite which has intruded the Late Permian Emmaville Volcanics and undifferentiated Early Permian sediments. See Figure 4.

Several mine shafts were worked for the high-grade galena and silver content only with high-grade zinc mineralisation discarded. Mineral concentration was via basic Chilean milling techniques and sluicing. Some subsequent rough floatation of galena was carried out with no attempt to recover sphalerite.

Ore mineralogy includes galena, sphalerite, marmatite, arsenopyrite, pyrite, chalcopryrite, minor bismuth and gold. Chief minerals generally disseminated but also high grade “bungs” where emplacement is a combination of fracture infilling and country rock replacement. Gangue mineralogy includes quartz, chlorite and sericite with quartz occurring as veins and granular relicts.

Figure 4: Webbs Consol general geology and historical workings



Historical sampling shows potential for high grade silver and zinc mineralisation at Webbs Consol. It was reported that 12 samples taken from the lowest level of the main Webbs Consol shaft (“205’ Level” or 60m depth) averaged 210g/t silver, 22.6% zinc and 2.74% lead. Epithermal style mineralisation occurring in ‘en échelon’ vertical pipe like bodies at intersection of main north-south shear and secondary northeast-southwest fractures. No leaching or secondary enrichment identified.

Historical mining operations and exploration have defined viable drilling targets such as:

- down plunge of the mineralisation at the Webbs Consol Mine;
- Induced Polarization anomalies in the vicinity of the Lucky Lucy prospect;
- geochem anomaly, insitu mineralisation and workings 1km north of main workings;
- extensions to mineralisation intersected in drillholes at Tangoa prospect; and
- inferred fault intersections at Tangoa prospect.

Lode plans to initially drill test three main targets. See Figure 5 below. These are briefly described below as:

**Photo 1:** Silver bearing galena mineralisation from Webbs Consol's main shaft



**(a) Drill Target 1**

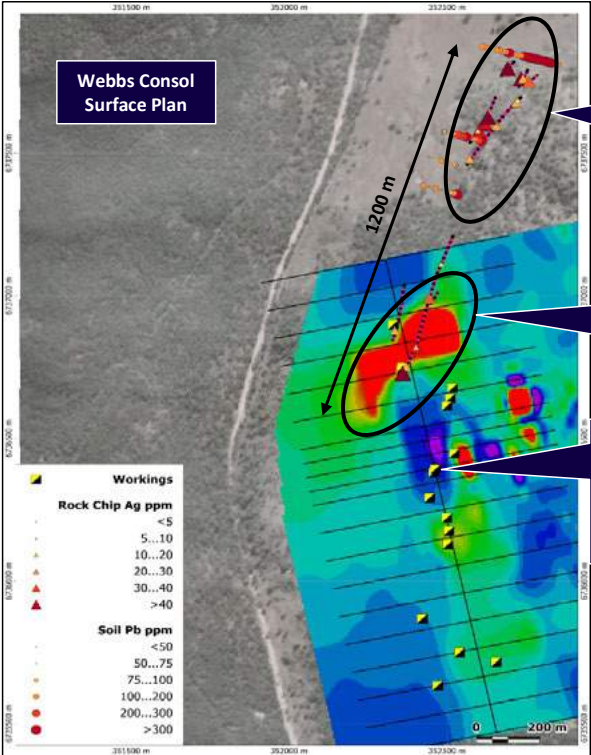
Mineralisation at the Webbs Consol mine remains open. Historical mapping and non-channel samples taken within the mineralised envelope on Level 3 indicate open ended high-grade mineralisation at 60m depth where 12 samples averaged 210g/t silver, 22.6% zinc and 2.74% lead. Historical drilling failed to test down plunge potential of main workings, possibly due limited rig capacity. In addition, historical underground test drives were heading north and were likely to be following mineralised structures. See Figure 6 overleaf.

**(b) Drill Target 2**

A coincident chargeability and conductivity anomaly is located 300m northeast of Webbs Consol main workings. These geophysical anomalies could potentially indicate broad disseminated mineralisation and a massive mineralised core respectively. Preliminary surface rick chip samples returned elevated silver values in assays up to 272 g/t Ag. See Figure 7 overleaf.

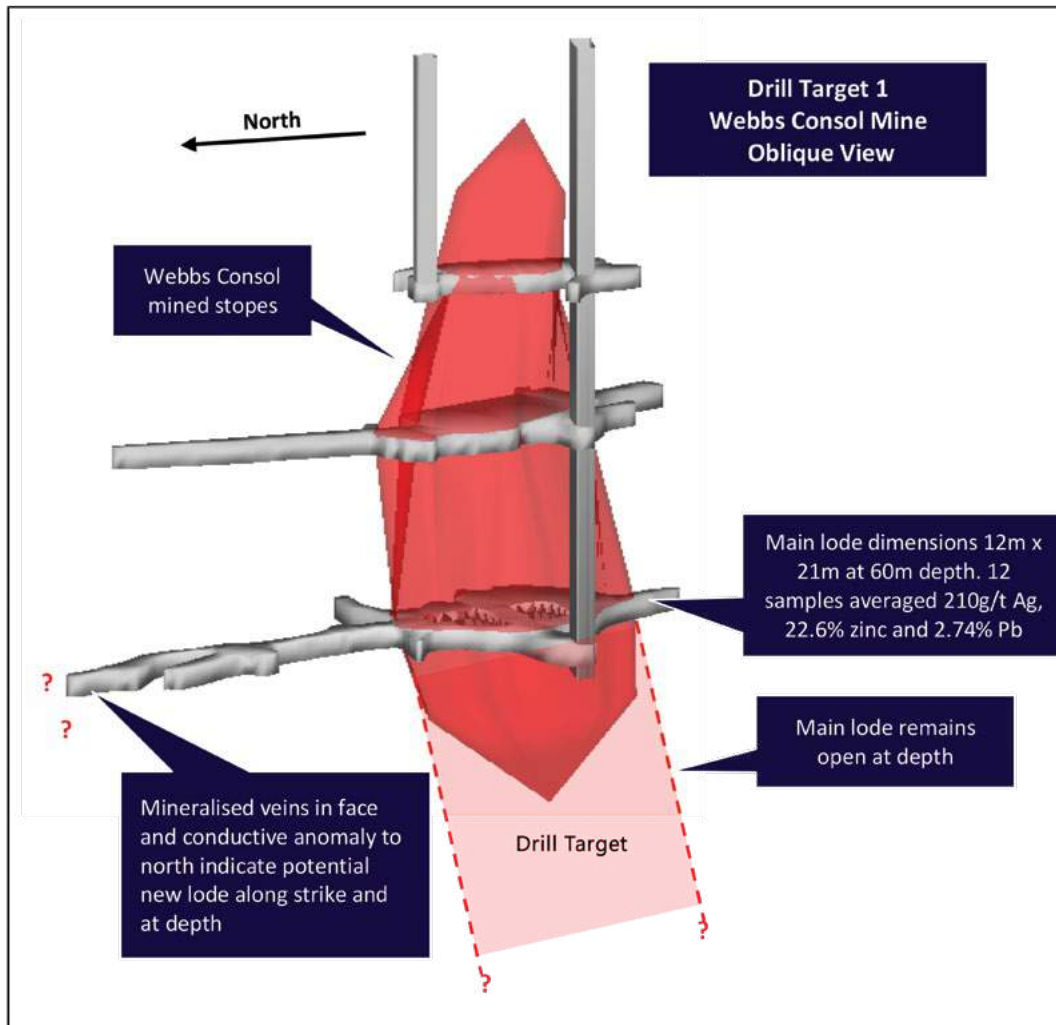
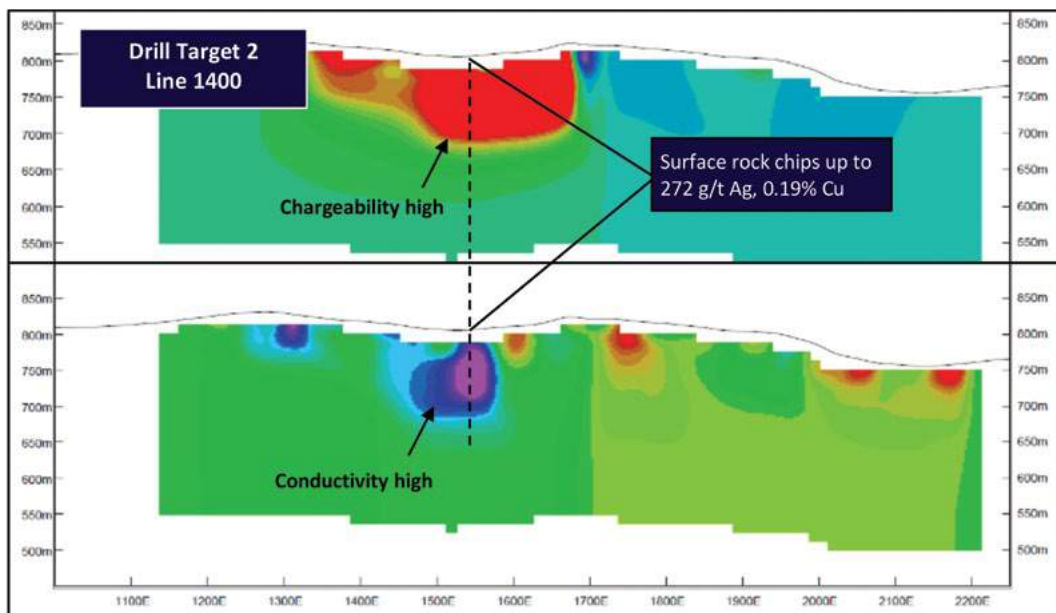
**(c) Drill Target 3**

Geochemical anomalous soil and insitu mineralisation are located 1km north of the Webbs Consol main workings. Preliminary surface samples of previously unmapped workings returning elevated silver values.



**Figure 5:** Webbs Consol surface sampling and Induced Polarization

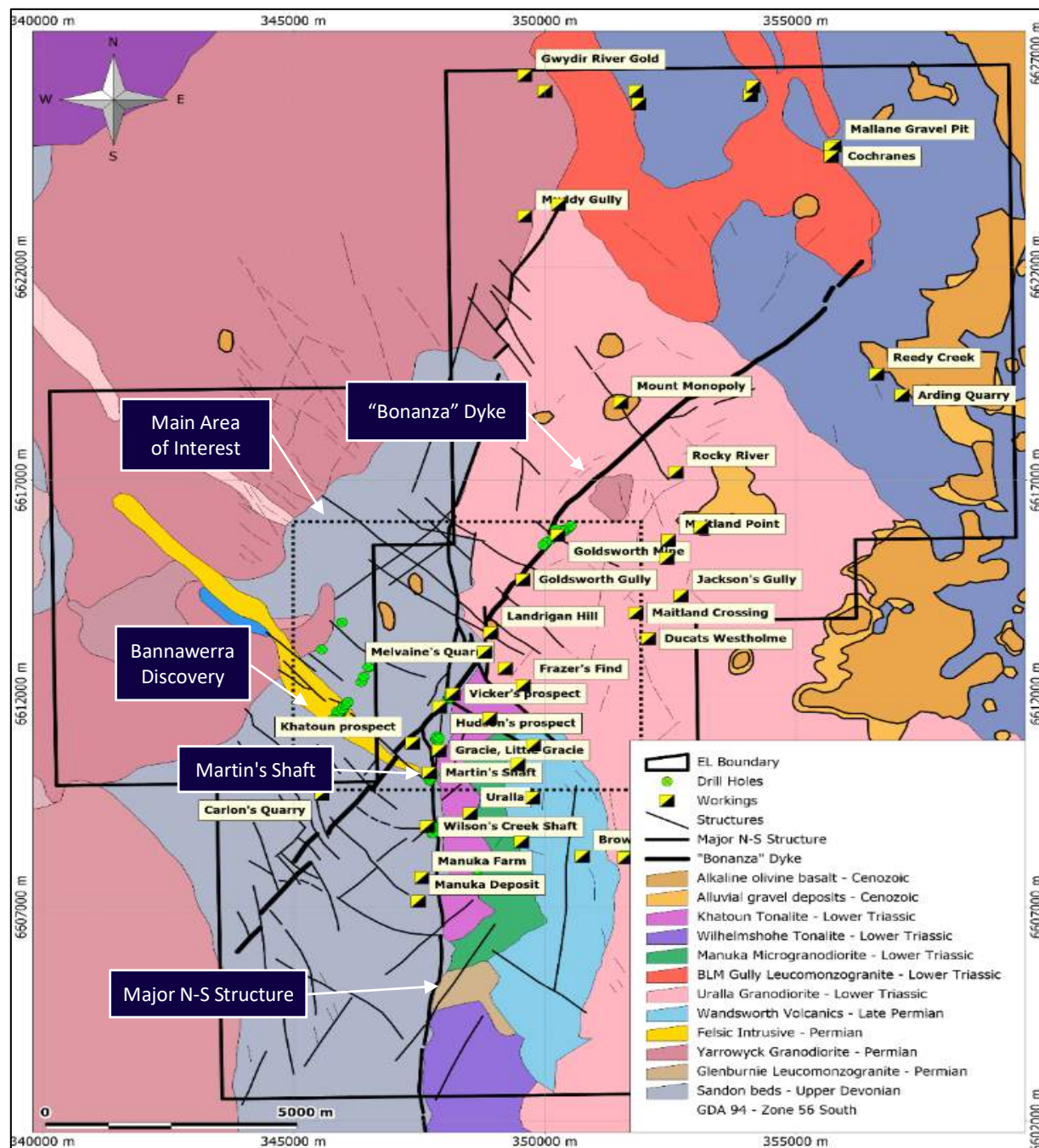
- Drill Target 3 – Northern Extension**  
Soils highly anomalous in Pb, rock chips up to 4.47% Pb, 1.52% Zn, 0.17% Cu, 69 g/t Ag
- Drill Target 2 - Lucky Lucy**  
Large chargeability anomaly (up to 5 times background coincident with conductivity anomaly, surface rock chips up to 272 g/t Ag and 0.19% Cu)
- Drill Target 1 – Webbs Consol Main Shaft**  
Main producing mine, open-ended high-grade mineralisation at 60m depth where 12 samples averaged 210g/t Ag, 22.6% Zn and 2.74% Pb

**Figure 6:** Webbs Consol Main Shaft historical workings – Drill Target 1**Figure 7:** Webbs Consol Line 1400 IP – Drill Target 2

### 3.5 URALLA GOLD

Located 8km west of Uralla was one of the earlier goldfields discovered in NSW and a significant gold producer in the 1850s. Lode's Uralla Gold project (EL8980 and EL9087) encompasses the entire goldfield. See Figure 8 below.

**Figure 8:** Uralla general geology and historical workings



Characteristics of a substantial IRGS have only been recently recognised. The Tintina Gold Province of Alaska and the Yukon are the best-known examples of IRGSs with >50Moz of Au defined over the last 15 years. (See <https://pubs.usgs.gov/sir/2007/5289/SIR2007-5289-A.pdf>). Uralla contains several known hydrothermal gold deposits that are associated with regional structures and margins of intrusions. Major structures that are believed to be strong controlling features within the Uralla goldfield include the "Bonanza" Dyke, a major north-south structure and multiple felsic dykes. See Figure 9 opposite. The Uralla Granodiorite and other intrusives intrude Yarrowyck Granodiorite and Sandon Beds and are believed to be responsible for gold mineralisation in the Uralla Goldfield.

Lode is targeting two styles of IRGS deposits based on IRGS gold deposits found in the Tintina Gold Province, Alaska and Yukon, Canada where veins and felsic dykes can host 100koz to 500koz Au; and cupola structures can host 500koz to 1moz Au.

Zonation of indicator metals Bi, As, Sb, Cu, Zn and Pb is potentially a tool for vectoring towards large cupola style targets.

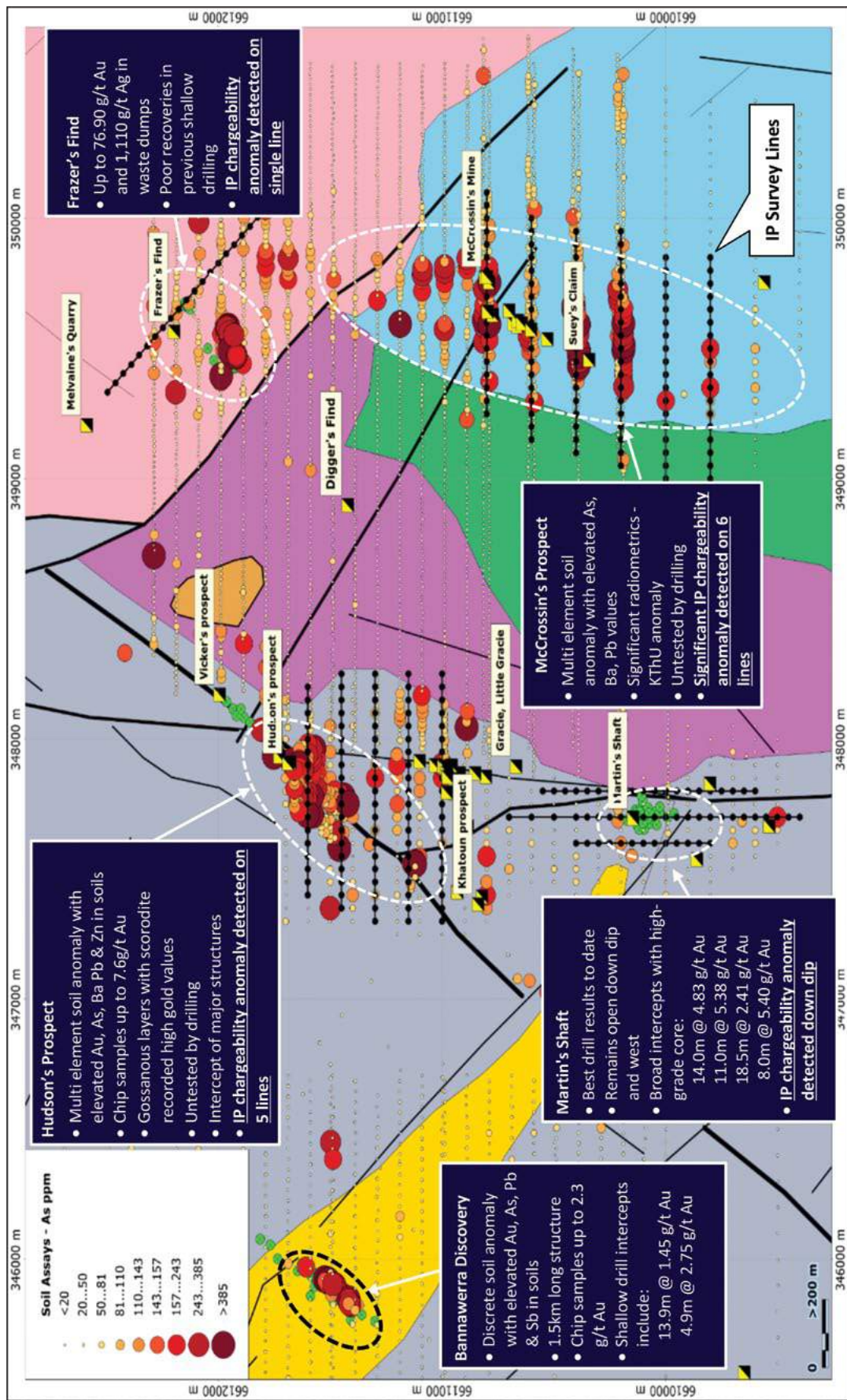
It is worth noting that drilling by the previous licence holder, Sovereign Gold, almost entirely targeted extensions to historical workings and not the conceptual targets or zones of anomalous geochemistry / geophysics. It was only towards the end of Sovereign Gold's tenure that significant and systematic soil sampling was carried out.

Nevertheless, exploration drilling did demonstrate the hard rock potential of the Uralla Goldfield both the Martin's Shaft and Bannawerra Discovery producing the best drill intercepts. A summary of intercepts to date are shown in Table 19 below and Table 20 overleaf.

**Table 19:** Martin's Shaft historical drill intercepts

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Endowment (m.g/t)
SGRDD002	24.0	38.0	14.0	4.83	67.6
SGRDD004	53.0	64.0	11.0	5.38	59.2
SGRDD008	73.5	92.0	18.5	2.41	44.6
SGRDD014	21.0	29.0	8.0	5.40	43.2
SGRDD010	78.0	113.0	35.0	1.10	38.5
SGRRC004	13.0	27.0	14.0	2.41	33.7
SGRRC017	76.0	100.0	24.0	1.26	30.2
SGRRC003	35.0	50.0	15.0	1.84	27.6
SGRRC035	90.0	112.0	22.0	1.15	25.3
SGRRC006	37.0	44.0	7.0	3.54	24.8
SGRRC005	25.0	32.0	7.0	3.13	21.9
SGRDD003	37.0	44.0	7.0	2.83	19.8
SGRRC001	15.0	18.0	3.0	6.20	18.6
SGRRC036	90.0	98.0	8.0	2.19	17.5
SGRRC011	57.0	62.0	5.0	2.50	12.5
SGRDD006	41.5	44.0	2.5	3.80	9.5
SGRRC002	26.0	32.0	6.0	1.43	8.6
SGRDD001	0.0	6.0	6.0	1.28	7.7
SGRRC013	40.0	43.0	3.0	1.60	4.8
SGRDD009	88.0	89.0	1.0	4.18	4.2
SGRRC030	15.0	17.0	2.0	1.50	3.0
SGRRC030	67.0	69.0	2.0	1.18	2.4
SGRDD005	11.0	13.0	2.0	1.14	2.3
SGRRC009	39.0	40.0	1.0	2.27	2.3
SGRRC022	123	124	1	2.04	2.0

Figure 9: Uralla main area of interest – main prospects and surface sampling



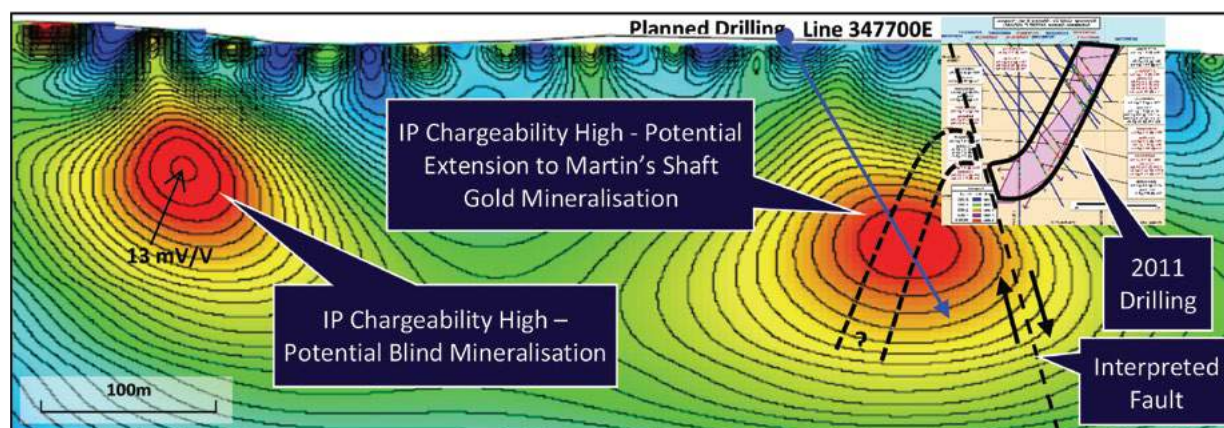
**Table 20:** Bannawerra Discovery historical intercepts

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Endowment (m.g/t)
ZK0701	13.8	27.7	13.9	1.45	20.2
SGRDD036	7.0	11.9	4.9	2.75	13.3
SGRDD039	4.0	13.9	9.9	1.26	12.4
ZK0001	91.0	96.0	5.0	1.56	7.8
ZK0003	101.9	110.8	9.0	0.80	7.2
ZK0901	14.6	20.1	5.5	1.24	6.8
ZK0301	43.8	47.2	3.4	1.68	5.8
SGRDD043	31.0	33.0	2.0	2.01	4.0
ZK0703	185.6	188.8	3.2	1.17	3.7
SGRDD038	37.0	40.0	3.0	1.21	3.6
ZK23001	9.2	11.7	2.6	0.87	2.2
ZK3201	14.8	17.8	3.0	0.61	1.8
ZK0001	79.5	81.5	2.0	0.90	1.8
ZK0303	172.6	175.6	3.0	0.56	1.7

In late 2020, Lode carried out a significant Dipole-Dipole Induce Polarisation programme testing existing workings and geochemical trends at the Hudson's Prospect, Prospect Gracie, Martin's Shaft and McCrossin's Prospect and Frazer's Find. A number of good solid Induced Polarization chargeability anomalies were detected generating multiple drill targets. These anomalies are likely to be disseminated to stringer vein sulphides typically associated with gold mineralisation. In general, there is good correlation between the historical gold workings, the Induced Polarization chargeability anomalies and elevated levels in soils. With exception of Martin's Shaft there is no drilling on the best anomalies, so the aim is to drill test best the Induced Polarization anomalies at each Prospect as there are multiple vectors highlighting their exploration potential.

#### (a) Martin's Shaft Prospect Induced Polarization

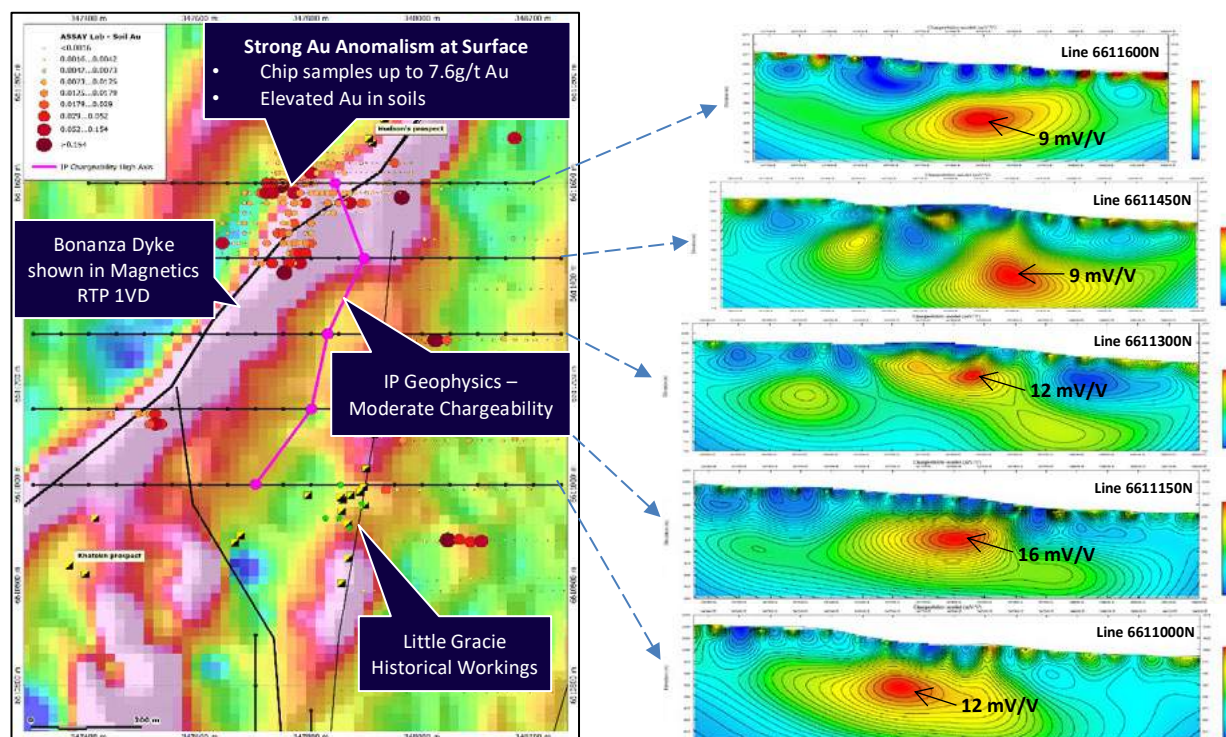
Previous drilling at the Martin's Shaft Prospect has produced medium to high grade gold intercepts as per the results shown above. This deposit occurs where a major north-south structure bisects local felsic intrusive dyke. This has generated brittle deformation in contrast to ductile deformation of the surrounding Sandon beds. Induced Polarization inversion modelling shows chargeability anomaly at 150m, 50m below deepest intercept. In addition, there is a strong and unexpected Induced Polarization chargeability anomaly at the southern end of the central Martins Shaft survey line. See Figure 10 below.

**Figure 10:** Martin's Shaft Prospect - Induced Polarization chargeability section

## (b) Hudson's Prospect Induced Polarization

Previous surface work at the Hudson's Prospect has shown strong gold anomalism at surface with chip samples up to 7.6 g/t Au. Lode has taken several rock chip samples from the Hudson's Prospect area which confirms and extends the existence of gold mineralisation at surface. The highest-grade samples are 8.03, 6.31, 5.29, 5.06, 2.84, 2.73 and 2.03 g/t Au and this mineralisation is usually associated with fine stockwork veins as well as disseminations hosted in altered siltstone and is mostly unoxidized. This is highly encouraging from both the volume aspect as mineralisation is less likely to be constrained to single vein or structure and grades are unlikely to be enriched notwithstanding these are grab samples. See Photo 2 below. Induced Polarization sections show a weak chargeability anomaly coincident with the Bonanza Dyke. A much stronger chargeability anomaly is coincident with historical workings on the Little Gracie trend. See Figure 11 below. This prospect has never been drill tested.

**Figure 11:** Hudson's Prospect – surface sampling, magnetics and Induced Polarization chargeability sections



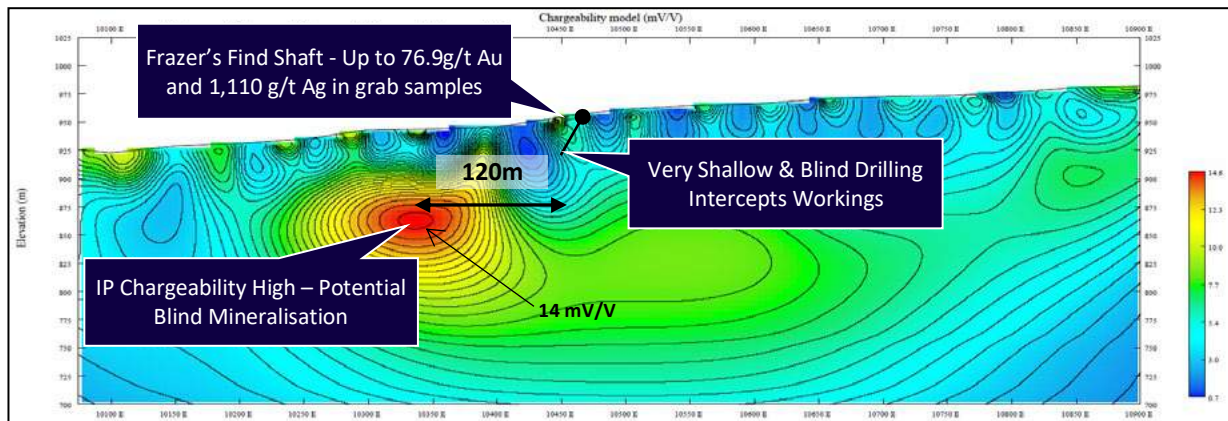
**Photo 2:** Hudson's Prospect – Stockwork quartz veining and disseminated arsenopyrite in silicified siltstone hosting gold mineralisation



### (c) Frazer's Find Prospect Induced Polarization

Surface sampling has return gold grades up to 76.90 g/t Au and silver grades up to 1,110 g/t Ag in waste dumps at Frazer's Find shaft. Previous very shallow drilling suffered significant core lost and intercepted mine voids including underground wooden supports. One Induced Polarization survey line shows a moderately strong chargeability anomaly 120m offset to the north west of the Frazer's Find line of workings. This suggests previous drilling was misplaced having target workings on a minor but possibly related mineralised structure. There is also potentially a further anomaly at the very south-east end of the line that has not been fully resolved. See Figure 12 below.

**Figure 12:** Frazer's Find Prospect – Induced Polarization chargeability section



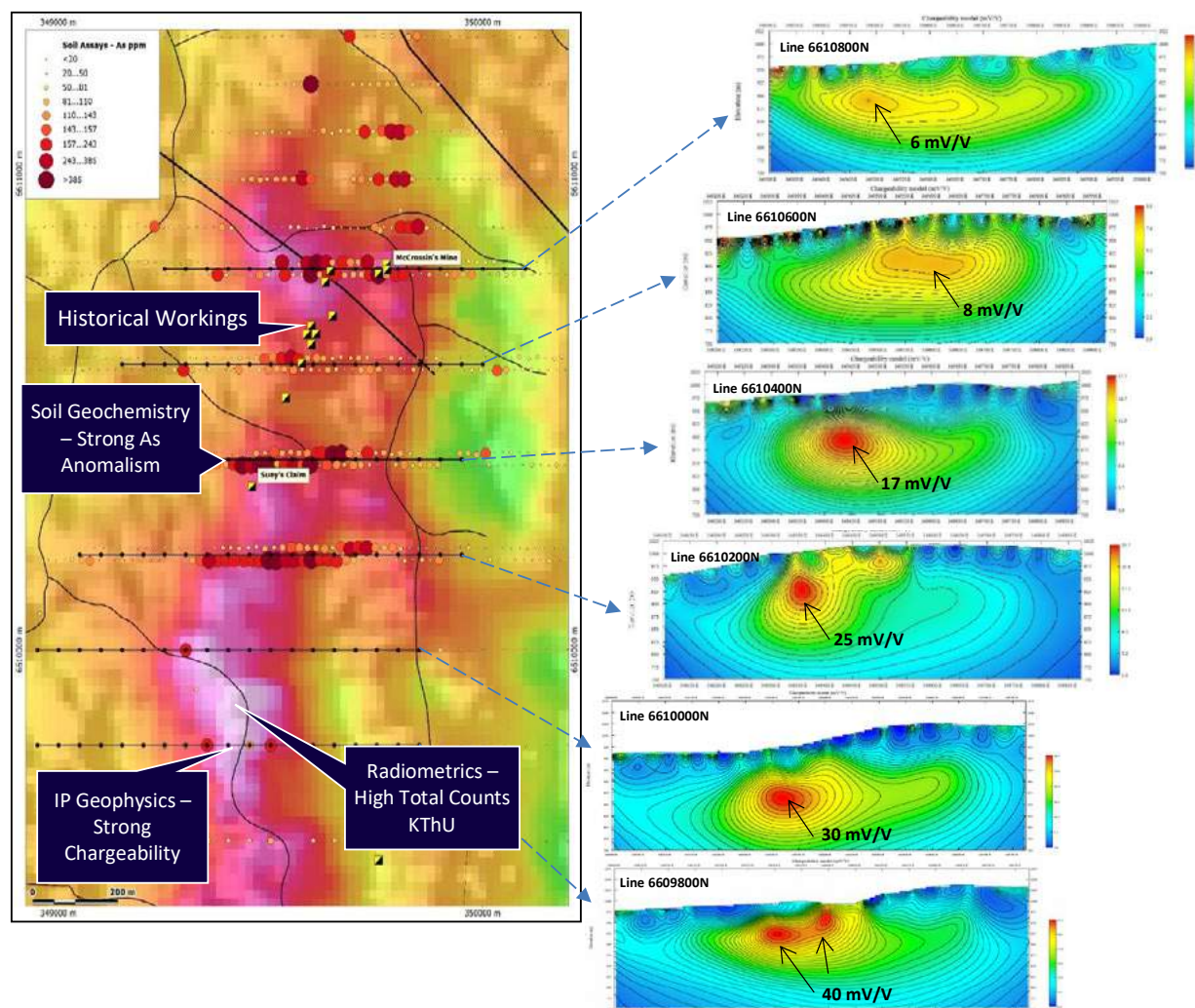
**Photo 3:** Uralla Gold Project – Geophysics crew with Lode's Project Manager Mr Mitchell Tarrant (who is pictured far left)



#### (d) McCrossin's Prospect Induced Polarization

The McCrossin's Prospect is defined by areas of anomalous geochemistry (As) and historical workings that were trending roughly north-south over 800 metres. Induced Polarization survey lines were centred on these workings and given the strength of initial results additional line were added to the south. This anomaly remains open to the south and the most southern line is by far the strongest chargeability anomaly in the project area. Coincident conductivity and chargeability in the south might suggest that sulphides are tending to be more massive. The anomaly is now over 1km in strike and the Induced Polarization survey may be extended further to the south should some initial drilling on the defined Induced Polarization anomalies prove successful. See Figure 13 below.

**Figure 13:** McCrossin's Prospect - surface sampling, radiometrics and Induced Polarization chargeability sections



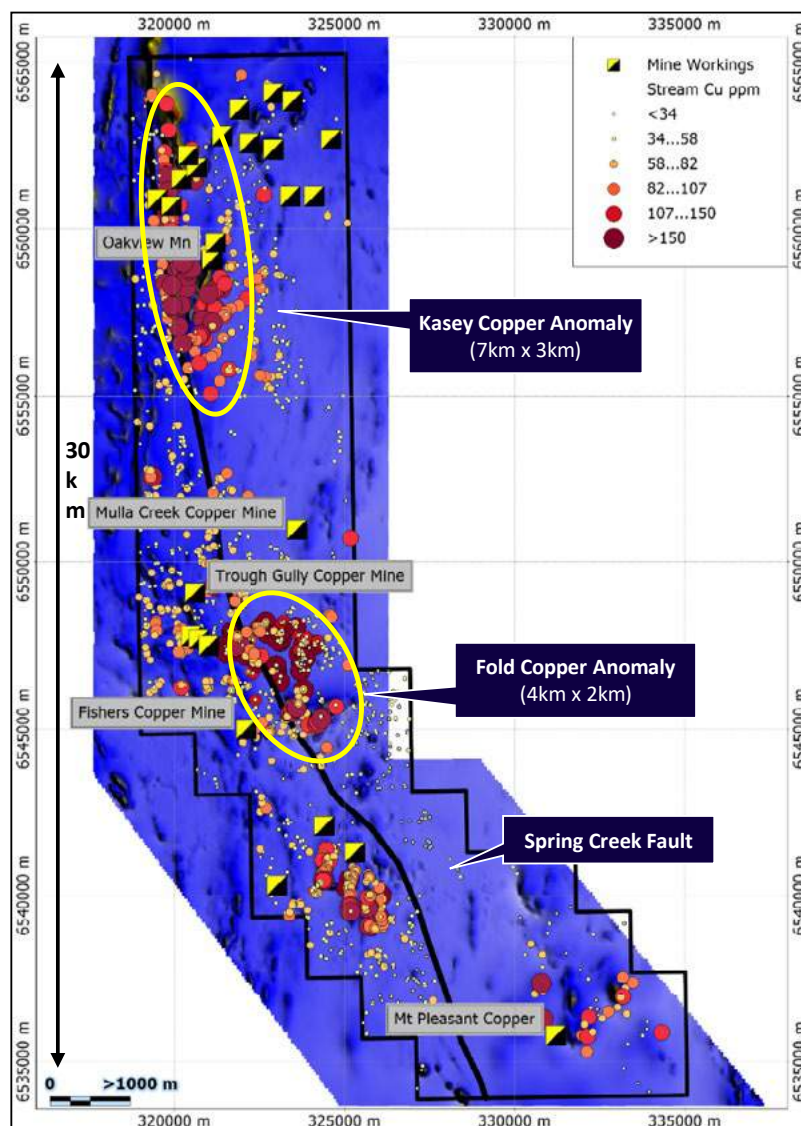
**Photo 4:** McCrossin's Prospect - brecciated volcanics with disseminated sulphides and gold mineralisation

### 3.6 Fender Copper

The Fender Copper project is located 22km southeast of Tamworth. The geology is dominated by Late Devonian-Early Carboniferous Myra and Sandon Beds as well as inter-fingered Permian basalt, jasper and chert. Surface exploration carried out by several companies and the Geological survey of NSW since the 1960s comprising stream/soil, surface mapping, Induced Polarization and magnetics however no drilling has occurred except for one very small and poorly design programme at the Fisher's mine prospect. Significant copper values were returned from stream sampling over two large areas. This coincides with distinct large magnetic ridges and adjacent to Spring Creek fault. It can be postulated that magnetic anomalies may represent large fold structures that provides tension regime for fissure infilling of remobilised copper mineralisation.

There are 21 copper occurrences of Volcanic Massive Sulphide (VMS) origin that have been recorded over 30km strike length and are usually associated within steeply dipping shear zones that have a close spatial relationship with jasper, chloritised metabasalt and less resistant argillaceous chert. The mineralisation is typically Fe rich, followed by Cu and lesser Zn as major metals. Cu typically ranges 2% to 4.5%, although exceptionally rich ore from the Fishers mine averaged more than 13.4% Cu.

**Figure 14:** Fender surface sampling, magnetics and historical workings



**Photo 5:** Trough Gully Mine – massive sulphide veining



**Photo 6:** Trough Gully Mine – banded sulphide veining



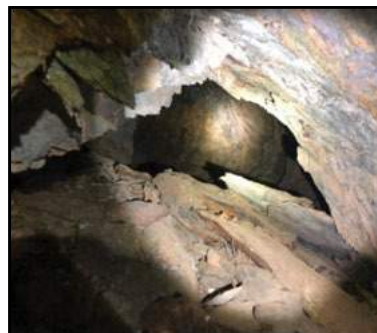
**Photo 7:** Trough Gully Mine – smelter slag



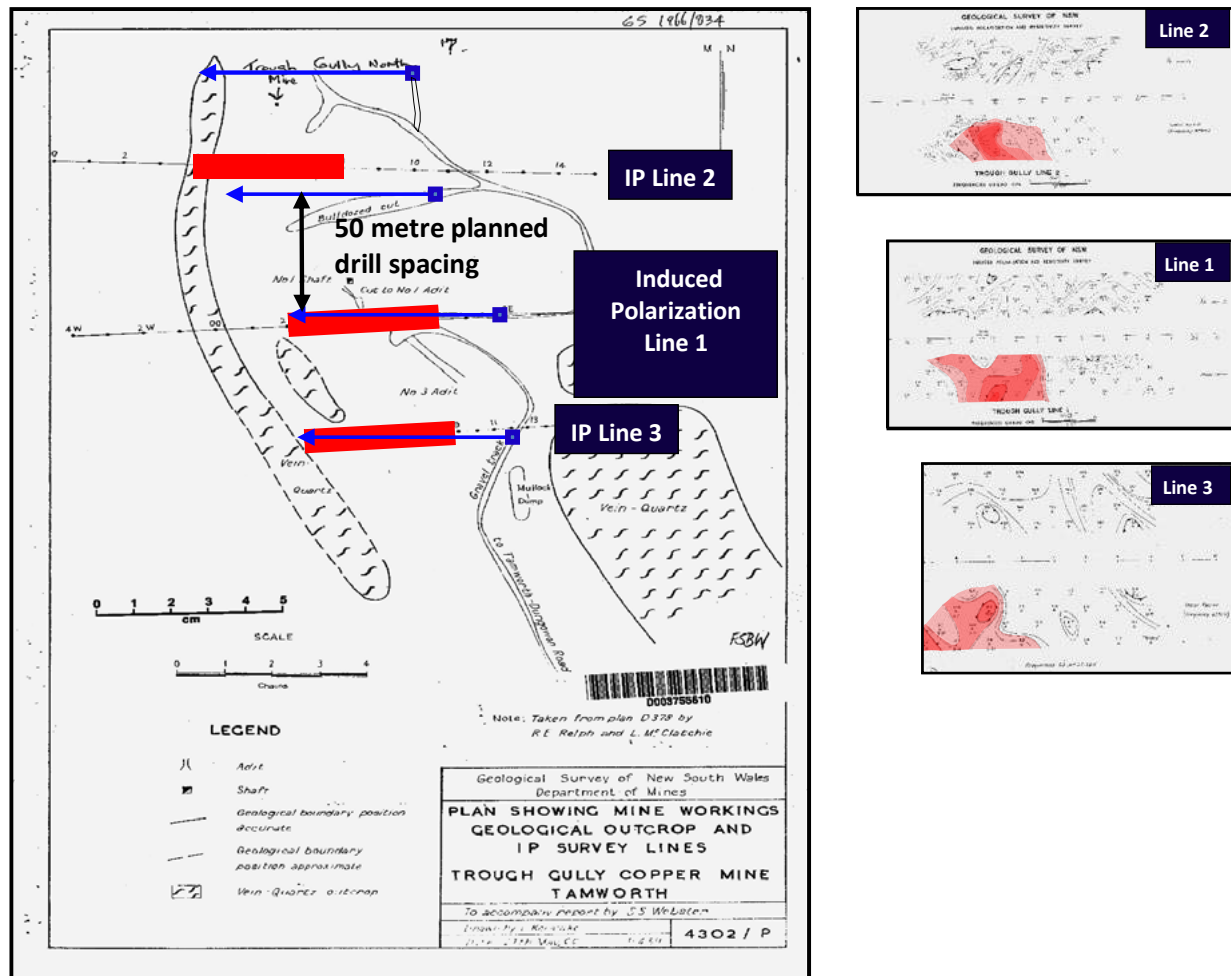
**Figure 15:** Trough Gully section – historical workings



**Photo 9:** Trough Gully Mine – collapsed underground workings



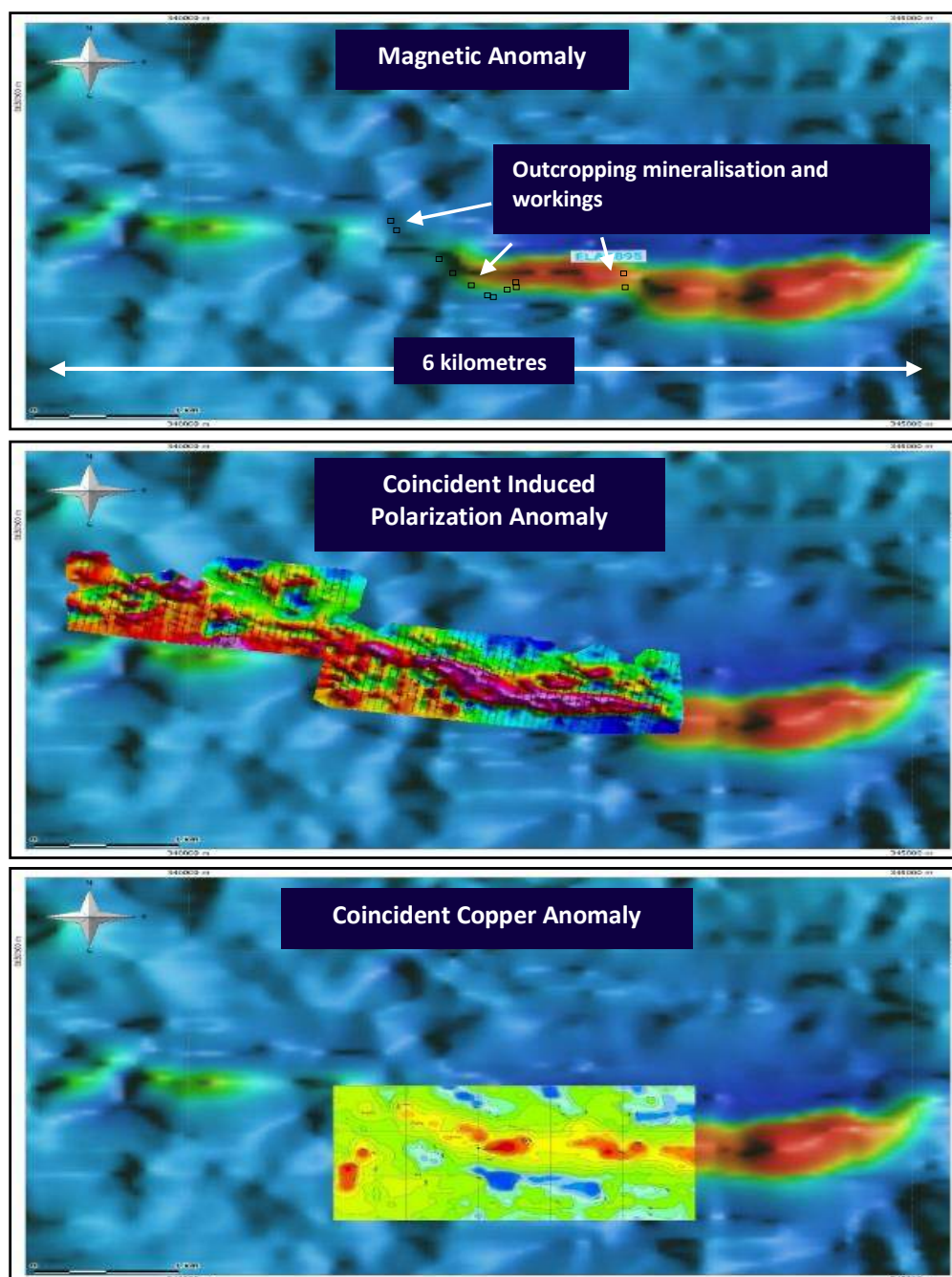
**Figure 16:** Trough Gully – Induced Polarization Lines and Induced Polarization chargeability sections



### 3.7 ELSINORE COPPER

The Elsinore Copper project is located 30km west of Guyra and was first recorded in 1974 thesis by Marriot, J.A. 1974: The Geology, Mineralogy and Genesis of Three Sulphide Occurrences, Between Bundarra and Baldersleigh, North Western NSW. This occurrence is hosted by metabasalt and, in certain instances, concentrated in slumped chert blocks encased with metabasalt. Mineralisation is exposed in outcrop and prospecting pits as extensive gossans.

Significant surface work, including Induced Polarization and soil sampling, was performed by Sovereign Gold in 2016. However, no follow up hard rock sampling or drilling was carried out. The solid Induced Polarization chargeability anomaly coincides with a magnetic ridge that may reflect sulphides. The east-west magnetic ridge extends over 6km strike length and appears to strike parallel to bedding which dips steeply to the south. Cu, Au, Zn and Pb soil anomalies generally align with magnetics. Apparent lateral metal zonation characteristic of VMS deposits. The entire 6km strike length requires mapping, sampling and trenching to determine best targets prior to initial drilling. Good outcrop should enable extensive chip sampling prior to a targeted Induced Polarization survey if warranted. See Figure 17 below.



**Figure 17:**  
Elinore –  
magnetics,  
Induced  
Polarization  
chargeability and  
geochemistry

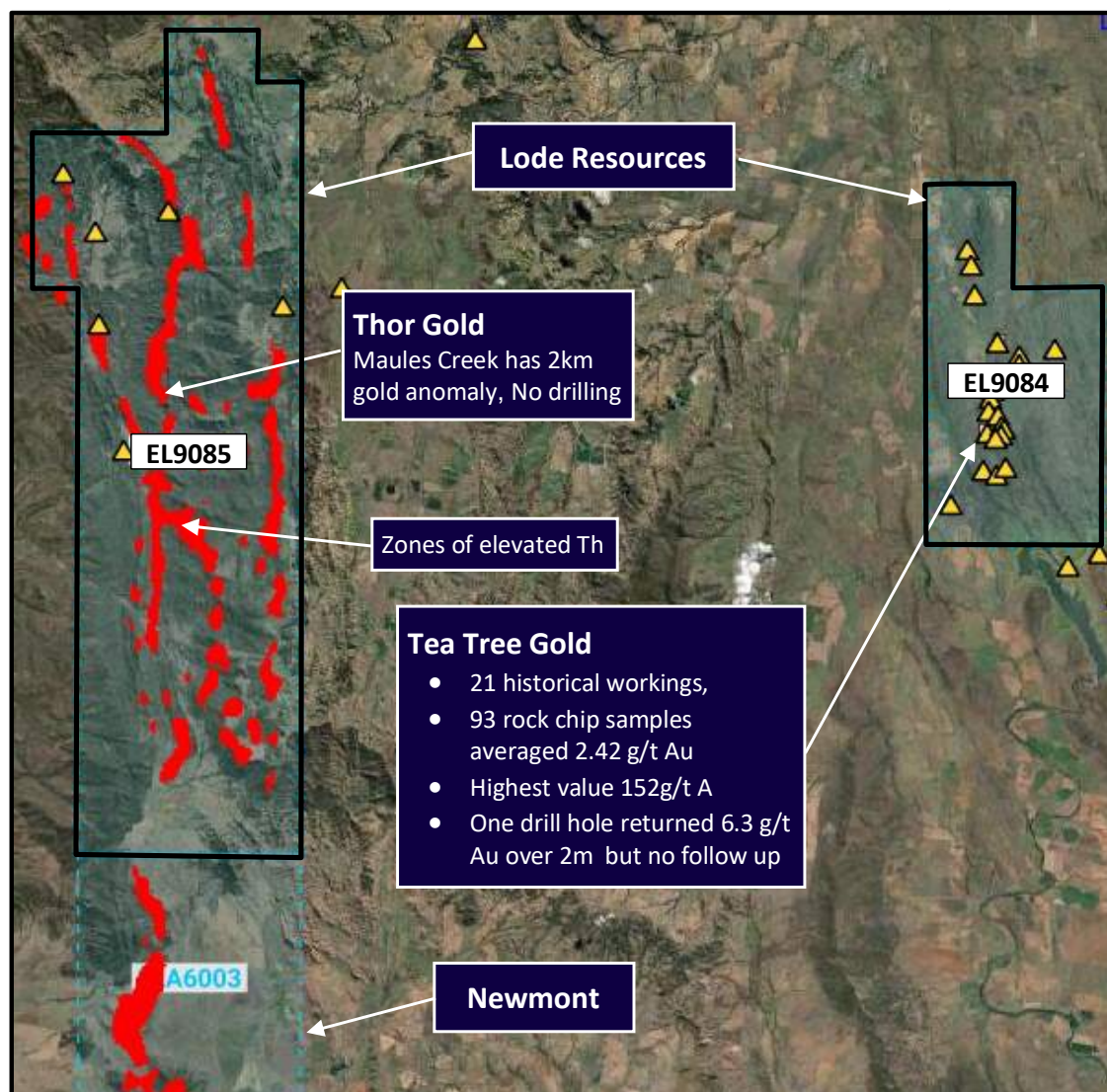
### 3.8 TEA TREE GOLD PROSPECT

The Tea Tree Gold Prospect is located 30km north of Manilla, NSW. It encompasses a historical goldfield with 21 historical workings on two north-west trending, parallel lines of deposits 1.5km apart. Gold is associated with pyrite in friable subvertical narrow quartz reefs in shear zones associated with brecciation. Previous work included 93 rock chip samples that averaged 2.42 g/t Au with the highest value being 152g/t Au. One drill hole returned 6.3 g/t Au over 2m from 35m but there has been no follow up drilling nor systematic soil sampling or ground geophysics. Lode's Board believes the lack of previous exploration and presence of numerous workings presents an opportunity to test below the zone of weathering after preliminary surface work such as geophysics and sampling. See Figure 18.

### 3.9 THOR GOLD PROSPECT

The Thor Gold Prospect is located 45km northwest of Manilla, NSW. Radiometric imagery shows thorium signatures potentially indicating shallowly buried or just unroofed granites and/or areas of related alteration. Intrusive related gold deposits are spatially associated with moderately reduced granites of felsic to intermediate composition. Alternatively, major structures such as the Plagyan fault may tap deep crustal fault systems providing a suitable environment for epizonal orogenic gold deposition. The source of a 2km gold drainage anomaly is unexplained at Maules Creek. It is worth noting that Newmont has pegged ground with similar geology. Lode Resources Ltd intends to initially carry out broad geochemical sampling. See Figure 18 below.

**Figure 18:** Thor and Tea Tree – historical workings





HISTORICAL ORE SKIP AT WEBBS CONSOL SILVER PROJECT

4



SILVER BEARING GALENA MINERALISATION FROM WEBBS CONSOL'S MAIN SHAFT

## Section 4

# Investment Risks

### 4.1 INTRODUCTION

As with any equity investment, there are risks involved with investing in the Company. This section 4 seeks to identify the major areas of risk associated with an investment in the Company, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed.

Potential investors should be aware that the risks outlined in section 4 should be considered in conjunction with the other information in this Prospectus. In deciding whether or not to invest in the Company, potential investors should read this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Shares.

### 4.2 SPECIFIC RISKS

Investors should be aware of the risks specific to an investment in the Company. The specific risks are described below.

#### (a) Exploration and evaluation risk

The future value of the Company will depend on its ability to find and develop resources that are economically recoverable within the Company's Tenements. Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that economic mineralisation will be found, and if found, that it will be economic to extract these resources or that there will be commercial opportunities available to monetise these resources. The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposits, such as size, grade, metallurgy, strip ratios and proximity to infrastructure as well as external factors such as supply and demand. This, along with other factors such as maintaining title to Tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, while the Company has confidence in its existing projects, should those projects not prove profitable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for resource exploration and its success in the future.

#### (b) Reserves and resource estimates

Mineral resource estimates are expressions of judgment based on knowledge, experience and industry practice. These estimates are imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or, even if valid when originally calculated, may alter significantly when new information or techniques become available. As further information becomes available through additional drilling and analysis the estimates are likely to change. Any adjustments to mineral resource estimates could affect the Company's exploration and development plans which may, in turn, affect the Company's performance.

**(c) No history of production**

The Company's properties are at the exploration stage only. The Company has never had any direct material interest in mineral producing properties. There is no assurance that commercial quantities of resources will be discovered at any of the properties of the Company or any future properties, nor is there any assurance that the exploration or development programs of the Company thereon will yield any positive results. Even if commercial quantities of resources are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where resources can profitably be produced. Factors that may limit the ability of the Company to produce resources from its properties include, but are not limited to, commodity prices, availability of additional capital and financing and the nature of any resources deposits.

**(d) Commercialisation, infrastructure access and contractual risks**

The Company's potential future earnings, profitability, and growth are likely to be dependent upon it being able to successfully implement some or all of its commercialisation plans detailed in section 3. The ability for the Company to do so is further dependent upon a number of factors, including matters that may be beyond the control of the Company. The Company may not be successful in securing identified customers or market opportunities.

The Company is a party to various contracts, including those set forth in section 11. Whilst the Company will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, that the Company will be successful in securing compliance.

**(e) Environmental risks**

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. These laws and regulations also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

As with most exploration projects operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and where possible, by carrying appropriate insurance coverage.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations, policies and permits governing operations and activities of gold companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

**(f) Tenement risks**

The rights to mineral Tenements carry with them various obligations that the holder is required to comply with in order to ensure the continued good standing of the Tenement and, specifically, obligations in regard to minimum expenditure levels and responsibilities in respect of the environment, community and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area and result in government action to forfeit a Tenement or Tenements.

There is no guarantee that future Tenement applications or existing Tenement renewals will be granted, that they will be granted without undue delay, or that the Company can economically comply with any conditions imposed on any granted exploration Tenements.

**(g) Title risk**

The exploration licences in which the Company has now, or may, in the future, acquire an interest, are subject to the applicable local laws and regulations. There is no guarantee that any licences, applications or conversions in which the Company has a current or potential interest will be granted or ministerial approvals for the transfer of the relevant Tenements obtained.

All of the projects in which the Company has an interest will be subject to application for licence renewal from time to time. Renewal of the term of each licence is subject to applicable legislation. If the licence is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that licence. Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

#### **(h) Native Title**

In relation to Tenements that the Company has an interest in or will in the future acquire such an interest, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to gain access to Tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be adversely affected.

Please refer to the Solicitor's Report on Tenements in section 7 of this Prospectus for further details of any applicable Native Title claims and Aboriginal heritage sites.

#### **(i) Changes in commodity price**

The Company's possible future revenues may be derived mainly from gold, silver and copper and/or from royalties gained from potential joint ventures or other arrangements.

Consequently, the Company's potential future earnings will likely be closely related to the price of gold, silver and copper.

Gold, silver and copper prices fluctuate and are affected by numerous industry factors including demand for the resource, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, e.g. inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, gold, silver and copper. If the Company is producing gold, silver and copper and the market price of gold, silver and copper were to fall below the costs of production and remain at such a level for any sustained period, the Company would experience losses and may have to curtail or suspend some or all of its proposed activities. In such circumstances, the Company would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

#### **(j) Operational risk**

If the Company decides to expand its operations into gold, silver and copper production in the future, the operations of the Company including exploration and processing may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, processing, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failure, problems that affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

#### **(k) Sustainability of growth and margins**

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in the gold, silver and copper sectors are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.

#### **(l) Failure to satisfy expenditure commitments and licence conditions**

Interests in Tenements in NSW are governed by the mining acts and regulations that are current in NSW and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

Please refer to the Solicitor's Report on Tenements in section 6 of this Prospectus for further details of the applicable licence conditions.

#### **(m) Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal

weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards that are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement hazardous weather conditions and fires, explosions, pandemics or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects and treatment of ore.

#### **(n) Competition**

The Company will compete with other companies, including major, domestic and international gold, silver and copper companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

#### **(o) Financing**

The Company has finite financial resources and no cash flow from producing assets and therefore will likely require additional financing in order to carry out its exploration and development activities.

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its exploration interests in certain properties, and reduce or terminate its operations entirely. If the Company raises additional funds through the issue of equity securities, this may result in dilution to the Existing Shareholders and/or a change of control at the Company.

#### **(p) Management actions**

The success of the Company is currently largely dependent on the performance of its Directors and Management personnel.

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security. There is no assurance that the Company can maintain the services of its Directors and Management personnel or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects.

#### **(q) Exchange rate risk**

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

#### **(r) Industrial risk**

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect Tenement development and profitability.

#### **(s) Insurance arrangements**

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration, development and production activities is not generally available to the Company or to other companies in the gold industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that

may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

#### **(t) Land access risk**

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective Tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by small non-mechanised mining operations or land ownership, including registered and unregistered land interests and regulatory requirements within the jurisdiction where the Company operates.

#### **(u) Government policy**

Changes in relevant foreign investment, taxation, interest rates, other legal, legislative and administrative regimes, and government policies in NSW or at the federal level, may have an adverse effect on both the nature and extent of permitted investment by foreign investors and the assets, operations and ultimately the financial performance of the Company. These factors may ultimately affect the level of foreign investment in the Company and the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts that generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in NSW and, potentially, other jurisdictions. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the Tenements.

#### **(v) Reliance on key personnel**

Whilst the Company has just a few executives and senior personnel, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration programme develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

#### **(w) Limited operating history**

The Company is a relatively new exploration company with limited operating history. The Company was incorporated in 2019 and has yet to generate a profit from its activities. Accordingly, the Company has no operating history and has limited historical financial information and record of performance. The Company's business plan requires significant expenditure, particularly capital expenditure, during its gold exploration phase. Any future revenue and profitability from the Company's business will be dependent upon the successful exploration and development of the Company's permits, and there can be no assurance that the Company will achieve profitability in future.

#### **(x) Grant of future authorisations to explore and mine**

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit.

There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

#### **(y) COVID-19 impact risk**

The global economic outlook is facing uncertainty due to the current COVID-19 (Novel Coronavirus) pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets, the gold price and foreign exchange rates.

While to date COVID-19 has not had any material impact on the Company's operations, should any Company personnel or contractors be infected, it could result in the Company's operations being suspended or otherwise disrupted for an unknown period of time, which may have an adverse impact on the Company's operations as well as an adverse impact on the financial condition of the Company.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

### 4.3 GENERAL RISKS

The general risks are described below.

#### (a) Liquidity risk

In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, the Company anticipates that at completion of the Offer a significant number of the Company's existing Shares on issue will not be able to be traded for a period of up to 24 months commencing on the date of quotation.

The Shares issued under the Offer will only be listed on ASX and presently will not be listed for trading on any other securities exchanges in Australia or elsewhere. As such, there can be no guarantee that an active market will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

#### (b) Investment risk

There are a number of risks associated with any stock market investment. Market price of Shares can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

#### (c) Share market risk

The market price of Shares and other securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.

#### (d) Future funding requirements

Although the Directors believe that on completion of the Offer the Company will have sufficient working capital to carry out its short-term business objectives, there can be no assurance that such objectives can be met without further financing or, if additional financing is necessary, that financing can be obtained on favourable terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

If adequate funds are not available on acceptable terms, the Company may be required to reduce the scope of its anticipated activities and may not be able to take advantage of opportunities or respond to competitive pressures.

Expenditure may need to be incurred that has not been taken into account in this Prospectus. Although the Company is not currently aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company and its proposed business plans.

### **(e) Taxation**

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its Officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

### **(f) Litigation**

The Company is subject to litigation risks. All industries, including the minerals exploration industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

### **(g) Force majeure events**

Acts of terrorism, an outbreak of international hostilities or pandemic or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

### **(h) Speculative nature of investment**

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Offer. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in the Company as speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offers.

### **(i) Expiry of escrow**

ASX will impose mandatory escrow on a portion of the Company's securities, a high proportion of Shares will be subject to escrow following completion of the Offer. This would reduce liquidity in the market for the Shares, and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Shares is likely to have an adverse impact on the Share price.

Following the end of any escrow periods, a significant number of Shares will become tradable on ASX. This may result in an increase in the number of Shares being offered for sale on market which may in turn put downward pressure on the Share price.

### **(j) Currently no market**

There is currently no public market for the Shares, the price of Shares is subject to uncertainty and there can be no assurance that an active market for the Shares will develop or continue after the Offer.

The price at which the Shares trade on ASX after listing may be higher or lower than the Offer price and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors.

There can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase.

There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.



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EUHEDRAL QUARTZ CRYSTALS AT HUDSON'S PROSPECT, URALLA GOLD PROJECT

## Section 5

# Financial Information

### 5.1 INTRODUCTION

This section contains the historical financial information and the Pro Forma Statement of Financial Position of the Company (**Financial Information**) that the Directors consider relevant to investors for the Offer.

The Financial Information in this section comprises:

- Historical Financial Information, being the Company's:
  - Statement of Financial Position as at 31 December 2020;
  - Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020 and the six months to 31 December 2020; and
  - Statement of Cash Flows for the year ended 30 June 2020 and the six months to 31 December 2020.
- The Pro Forma Statement of Financial Position prepared based on the Company's reviewed Statement of Financial Position, which was reviewed by the Company's external auditor PKF (NS) Audit and Assurance Limited Partnership (**PKF Audit**), as at 31 December 2020 and adjusted for the transactions resulting from the Offer pursuant to this Prospectus.

The Historical Financial Information should be read together with the other information contained in this Prospectus, including:

- (a) the risk factors described in section 4;
- (b) the description of the use of Offer Proceeds described in section 2.2;
- (c) the Investigating Accountant's Report, set out in section 8; and
- (d) the indicative capital structure described in section 2.3.

## 5.2 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION BACKGROUND

The Historical Financial Information has been extracted from the Company's financial statements for the year ended 30 June 2020 which was audited by PKF Audit in accordance with Australian Auditing Standards, and for the six months to 31 December 2020, which were reviewed by PKF Audit in accordance with Australian Auditing Standards applicable to review engagements.

PKF Audit issued unqualified audit opinions on the financial statements for the year ended 30 June 2020 and an unqualified review opinion on the financial statements for the six months ended 31 December 2020. As the Company required additional funding to continue its planned activities, the audit and review reports included an emphasis of matter in relation to material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, however the audit opinion and review conclusion were not modified in this regard. The Directors are of the view that, following receipt of the proceeds of the Offer, the Company will have sufficient funding to pursue these activities and continue as a going concern.

The Pro Forma Statement of Financial Position has been derived from the historical statement of financial position as at 31 December 2020 and includes pro forma adjustments for certain subsequent events and transactions associated with the Offer, as if those events and transactions had occurred at 31 December 2020.

The Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards issued by the Australian Accounting Standards Board, which are consistent with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board, and with the significant accounting policies set out in Section 5.8.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

The Directors are responsible for the preparation and presentation of the Financial Information. The Directors' best estimate assumptions are subject to uncertainties and contingencies that are beyond the control of the Directors. PKF Corporate Finance (NSW) Pty Limited (**PKF Corporate Finance**) has undertaken a review and prepared an Investigating Accountant's Report with respect to the Financial Information. A copy of this report, which includes an explanation of the scope and limitations of the Investigating Accountant's work, is set out in Section 8.

## 5.3 HISTORICAL AND PRO FORMA STATEMENT OF FINANCIAL POSITION

The table below sets out the Company's statutory reviewed Statement of Financial Position as at 31 December 2020 and the Pro Forma Statement of Financial Position as at 31 December 2020.

The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

## Maximum Subscription 37.5 million Shares

**Table 21:** Historical 31 December 2020 reviewed and pro-forma Statement of Financial Position (Maximum Subscription)

	Statutory Reviewed 31 December 2020	Subsequent Events 31 December 2020	Pro forma Adjustments Unaudited 31 December 2020	Pro forma Unaudited 31 December 2020
	\$	\$	\$	\$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	579,774	142,482	6,625,000	7,347,256
Trade and other receivables	151,454	(142,482)	–	8,972
Total current assets	731,228	–	6,625,000	7,356,228
<b>Non-current assets</b>				
Other financial assets	40,000			40,000
Exploration and evaluation expenditure	221,263	–	–	221,263
Total non-current assets	261,263	–	–	261,263
<b>Total assets</b>	<b>992,491</b>	<b>–</b>	<b>6,625,000</b>	<b>7,617,491</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	33,059	–	–	33,059
Total current liabilities	33,059	–	–	33,059
Total liabilities	33,059	–	–	33,059
<b>Net assets</b>	<b>959,432</b>	<b>–</b>	<b>6,625,000</b>	<b>7,584,432</b>
<b>Equity</b>				
Issued capital	1,065,474	–	6,765,005	7,830,479
Reserves	–	–	170,000	170,000
Accumulated losses	(106,042)	–	(310,005)	(416,047)
<b>Total equity</b>	<b>959,432</b>	<b>–</b>	<b>6,625,000</b>	<b>7,584,432</b>

## Minimum Subscription 25 million Shares

**Table 22:** Historical 31 December 2020 reviewed and pro-forma Statement of Financial Position (Minimum Subscription)

	Statutory Reviewed 31 December 2020	Subsequent Events 31 December 2020	Pro forma Adjustments Unaudited 31 December 2020	Pro forma Unaudited 31 December 2020
	\$	\$	\$	\$
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	579,774	142,482	4,282,000	5,004,256
Trade and other receivables	151,454	(142,482)	–	8,972
Total current assets	731,228	–	4,282,000	5,013,228
<b>Non-current assets</b>				
Other financial assets	40,000			40,000
Exploration and evaluation expenditure	221,263	–	–	221,263
Total non-current assets	261,263	–	–	261,263
<b>Total assets</b>	<b>992,491</b>	<b>–</b>	<b>4,282,000</b>	<b>5,274,491</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	33,059	–	–	33,059
Total current liabilities	33,059	–	–	33,059
Total liabilities	33,059	–	–	33,059
<b>Net assets</b>	<b>959,432</b>	<b>–</b>	<b>4,282,000</b>	<b>5,241,432</b>
<b>Equity</b>				
Issued capital	1,065,474	–	4,521,955	5,587,429
Reserves	–	–	85,000	85,000
Accumulated losses	(106,042)	–	(324,955)	(430,997)
<b>Total equity</b>	<b>959,432</b>	<b>–</b>	<b>4,282,000</b>	<b>5,241,432</b>

## 5.4 HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below sets out the Company's Statements of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2020 and half year ended 31 December 2020.

**Table 23:** Statements of Profit or Loss and Other Comprehensive Income

	Period ended 30 June 2020	6 months ended 31 December 2020
	\$	\$
Legal and professional expenses	(4,618)	(40,927)
Other expenses	(17,713)	(42,784)
<b>Loss before income tax</b>	<b>(22,331)</b>	<b>(83,711)</b>
Income tax expense	–	–
<b>Loss for the year/period</b>	<b>(22,331)</b>	<b>(83,711)</b>
Other comprehensive income	–	–
<b>Total comprehensive loss for the year/period</b>	<b>(22,331)</b>	<b>(83,711)</b>

Investors should note that past results are not a guarantee of future performance.

## 5.5 HISTORICAL STATEMENTS OF CASH FLOWS

The table below sets out the Company's Statements of Cash Flows for the period ended 30 June 2020 and the half year ended 31 December 2020.

**Table 24:** Historical Statements of Cash Flows

	Period ended 30 June 2020	6 months ended 31 December 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Cash payments in the course of operations	(37,584)	(76,714)
GST recovered	2,343	–
<b>Net cash used in operating activities</b>	<b>(35,241)</b>	<b>(76,714)</b>
<b>Cash flows from investing activities</b>		
Payments for exploration and evaluation expenditure	(30,699)	(190,564)
<b>Net cash used in investing activities</b>	<b>(30,699)</b>	<b>(190,564)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares, net of costs	365,022	547,970
<b>Net cash from financing activities</b>	<b>365,022</b>	<b>547,970</b>
<b>Net increase in cash and cash equivalents</b>	<b>299,082</b>	<b>280,692</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>–</b>	<b>299,082</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>299,082</b>	<b>579,774</b>

Investors should note that past results are not a guarantee of future performance

## 5.6 DESCRIPTION OF PRO FORMA ADJUSTMENTS

Subsequent events relate to the following matters:

- During December 2020, the Company completed a placement to sophisticated investors raising \$773,000 before costs by the issue of 7,730,000 ordinary shares at an issue price of \$0.10 each. As at 31 December 2020, \$142,482 of the placement monies were outstanding and received on 5 January 2021.

Other pro forma adjustments relate to the following matters:

- As set out in section 2.1, under the minimum subscription, 25 million new shares new Shares will be issued at \$0.20 per Share. Gross proceeds will be \$5 million. Costs of the Offer, which are estimated to be \$478,045 will be capitalised against equity.
- As set out in section 2.1, under the maximum subscription, 37.5 million new Shares will be issued at \$0.20 per Share. Gross proceeds will be \$7.5 million. Costs of the Offer, which are estimated to be \$649,995 will be capitalised against equity.
- Costs of the Offer, under the minimum subscription are estimated to be \$718,000 and under the maximum subscription are estimated to be \$875,000 as set out in section 12.4.

- Under the Offer, 1,000,000 Lead Manager Options will be issued if the maximum subscription is reached as part consideration for performance of the Lead Manager role, no options will be used to the Lead Manager under the minimum subscription. The terms of these Lead Manager Options are set out in section 11.5. For the purposes of the pro forma Statement of Financial Position, the Directors have valued the Lead Manager Options at \$0.085 per option. The Black-Scholes formula model inputs were a Company share price of \$0.20 at the grant date, a volatility factor of 100%, a risk free interest rate of 0.08% based on government bonds, and a dividend yield of 0%.
- Under the Offer, 500,000 Options will be issued to Mr Jason Beckton and 500,000 Options will be issued to Mr Keith Mayes, who are Directors of the Company. The terms of these Options issued to the Directors are set out in section 9.7. For the purposes of the pro forma Statement of Financial Position, the Directors have valued the Director's Options at \$0.085 per option. The Black-Scholes formula model inputs were a Company share price of \$0.20 at the grant date, a volatility factor of 100%, a risk free interest rate of 0.08% based on government bonds, and a dividend yield of 0%.

**Table 25: Pro Forma Adjustments**

	Minimum Subscription 25 Million shares	Maximum Subscription 37.5 Million shares
	\$	\$
<b>Cash and cash equivalents</b>		
Gross proceeds from the offer	5,000,000	7,500,000
Cash cost of the offer	(718,000)	(875,000)
	<b>4,282,000</b>	<b>6,625,000</b>
<b>Issued Capital</b>		
Gross proceeds from the offer	5,000,000	7,500,000
Cash cost of the offer capitalised	(478,045)	(649,995)
Lead manager options	–	(85,000)
	<b>4,521,955</b>	<b>6,765,005</b>
<b>Reserves</b>		
Non-executive directors options	85,000	85,000
Lead manager options	–	85,000
	<b>85,000</b>	<b>170,000</b>
<b>Accumulated losses</b>		
Cash cost of the offer expensed	(239,955)	(225,005)
Non-executive director's options	(85,000)	(85,000)
	<b>(324,955)</b>	<b>(310,005)</b>

## 5.7 OTHER NOTES

### Sources of liquidity

The Company's principal source of funds is the cash proceeds from the Offer. The Directors consider that the Company has sufficient working capital to carry out its stated objectives.

### Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on the exploration and development of its portfolio of exploration projects and, if the Directors determine appropriate, examining additional opportunities with a view to acquiring suitable exploration or mining leases to complement the existing portfolio of exploration projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors.

No assurances can be given by the Company as to the payment of future dividends as this will depend on, amongst other things, the general business environment, the Company's level of profitability, the Company's funding requirements and the Company's financial and taxation position at the time.

## 5.8 SIGNIFICANT ACCOUNTING POLICIES

### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and at call deposits.

### Exploration, evaluation and development expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised at cost or fair value, as exploration and evaluation assets on an area of interest basis. Costs incurred before the entity has obtained the legal rights to explore an area are recognised in the statement of comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- (i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or
- (ii) activities in the area of interest have not at the reporting date, reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified from exploration and evaluation expenditure to mining property and development assets within property, plant and equipment.

## Share based payments

The Group issues share based payments to its directors and employees. Share based payments are measured at fair value at the date of grant. The fair value at the grant date of the share based payments is expensed on a straight line basis over the vesting period, unless the shares or options vest immediately in which case the full value of the share based payment is expensed immediately.

## Issued capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

## Income tax

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods. Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: The initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

# 6

FINE SIZED ALLUVIAL GOLD AT URALLA GOLD PROJECT

## Section 6

# Independent Geologist's Report



## Independent Geologist's Report

**New England Projects**  
**Lode Resources Limited**

Geos Job No. 2849-01  
Report Date 16 March 2021

Prepared for:

**The Directors**

Lode Resources Limited

Prepared by:

**Murray Hutton**  
BA (Hons) Geology, MAIG  
Principal Consultant

**Jeff Randell**  
BSc (Hons), MAIG  
Senior Consultant

Signature:



## Executive Summary

Lode Resources Ltd ('Lode') commissioned Geos Mining to prepare an Independent Geologist's Report (IGR) for inclusion in the Prospectus for Lode's fundraising and ASX listing.

Lode controls seven Exploration Licences located in the New England Region of northern New South Wales (Figure 1, Table 1). The tenements cover a total area of 328 graticular units (969.3km<sup>2</sup>).

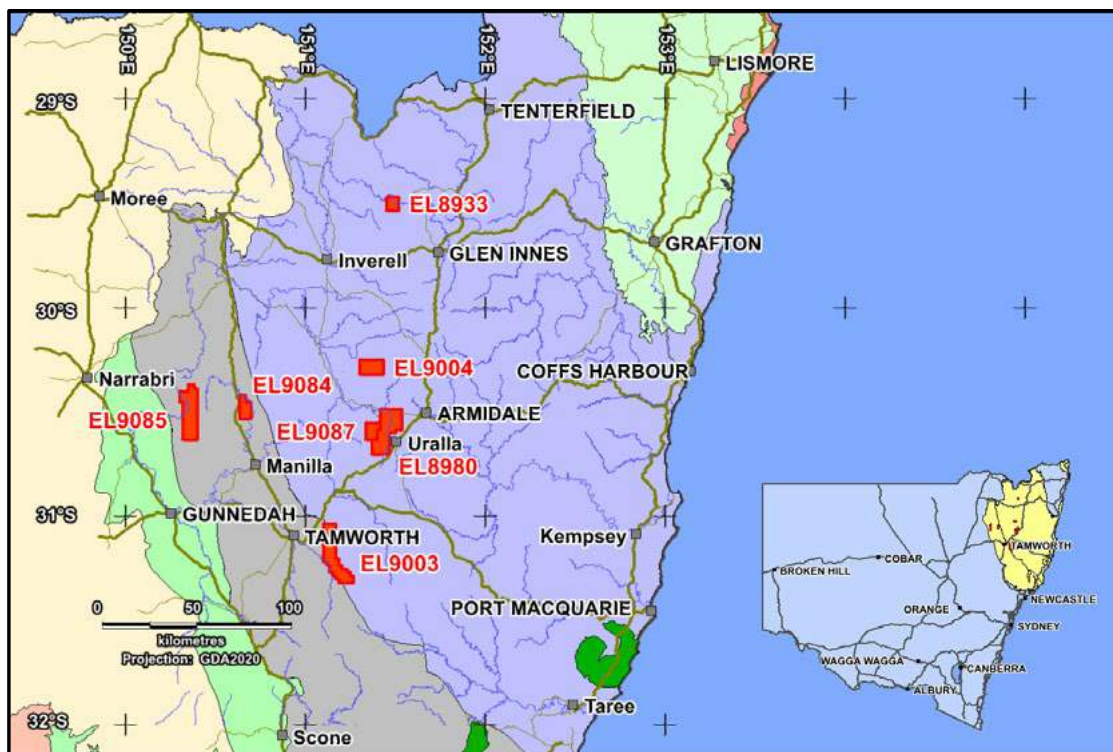


Figure 1: Lode Resources tenements locations

Refer to Figure 2 for provinces in the New England Orogen

Tenement	Name	Status	Grant Date	Expiry Date	Area (sb)	Area (km <sup>2</sup> )
EL8933	Webbs Consol	Granted	16/01/2020	16/01/2023	16	47.8
EL8980	Uralla	Granted	14/05/2020	14/05/2023	80	236.5
EL9003	Fender	Granted	12/10/2020	12/10/2023	76	223.3
EL9004	Elsinore	Granted	12/10/2020	12/10/2023	32	94.9
EL9084	Tea Tree	Granted	11/03/2021	11/03/2024	24	71.0
EL9085	Thor	Granted	11/03/2021	11/03/2024	78	230.8
EL9087	Uralla West	Granted	12/03/2021	11/03/2024	22	65.0

Table 1: Lode Resources Tenements

## REGIONAL GEOLOGICAL SETTING

The Lode tenements are located within the southern part of the New England Orogen ('NEO') in northeastern NSW (Figure 2), an accretionary regime formed along the eastern edge of Gondwana from the Devonian to Triassic periods (Li, et al., 2012). The NEO can be described as a complex orogen with ocean island arc, continental margin arc and accretionary sedimentary and volcanic components. The protracted tectonic history including periods of crustal thickening, melting of the juvenile volcanic derived basement to produce the voluminous New England Batholiths and rapid uplift that resulted in incision and exhumation of NEO stratigraphy and intrusive bodies.

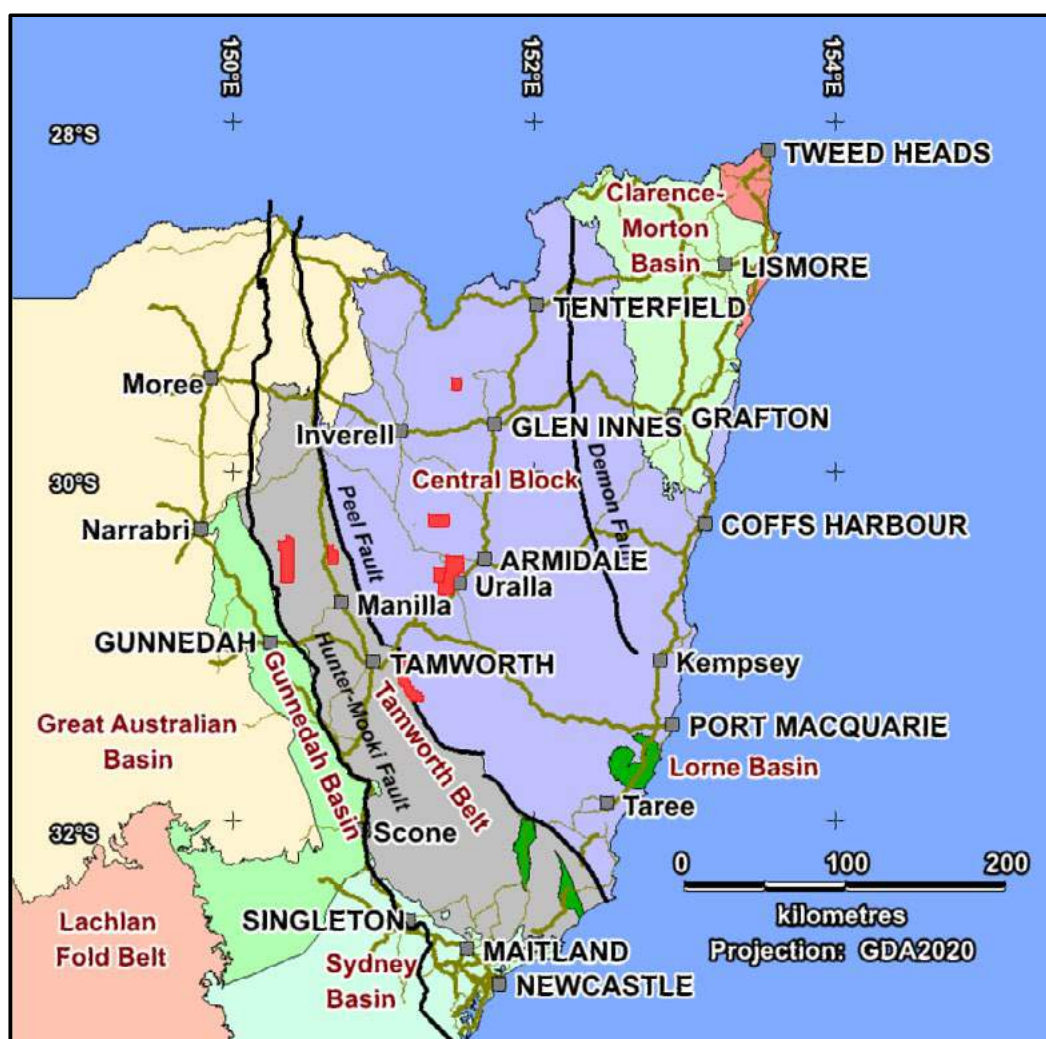


Figure 2: Lode ELs, Regional Geological Setting

The southern part of the NEO consists of the Tamworth Belt to the west and the Central Block to the east, separated by the Peel-Manning Fault Zone. The Tamworth Belt is bounded by crustal-scale Hunter-Mooki

and Peel-Manning Fault systems, which together form a belt of deformed Devonian-Carboniferous sediments that were deposited between a volcanic arc in the west and a deep-water accretionary wedge in the east. These depositional elements, which may have been separated from the Australian continent during the Devonian-Middle Carboniferous, were deformed during the Permian and Triassic by up to four folding events separated by episodes of granitoid emplacement.

## MINERALISATION STYLES

The Lode tenements contain mineral deposits exhibiting several styles of mineralisation:

- intrusion-related gold
- hydrothermal silver-lead-zinc veins
- submarine volcanic exhalative sulphides
- orogenic gold-antimony mineral systems
- alluvial gold deposits.

Within the Lode tenements, 35 metallic mineral deposits have been identified in the GSNSW Mineral Occurrences database (excluding very small deposits labelled as 'occurrences').

## EXPLORATION RATIONALE

The New England Orogen holds considerable potential for economic mineralisation, despite the fact that only one small gold mine is currently operating in the region.

Exploration companies and the NSW Government have compiled a lot of information on a regional scale, but follow-up of anomalous responses have been largely lacking in direction, especially in recent years. As a result, the region can be regarded as underexplored and a thorough review of the mineral exploration potential is warranted.

## WEBBS CONSOLS PROJECT - EL8933

EL8933 – Webbs Consols contains several small, but high grade, silver-lead-zinc-gold deposits. Historical mining operations and exploration have defined viable drilling targets:

- down plunge of the mineralisation at the Webbs Consols Mine,
- IP anomalies north of Lucky Lucy prospect,
- Extensions to mineralisation intersected in drillholes at Tangoa prospect
- Inferred fault intersections at Tangoa West prospect

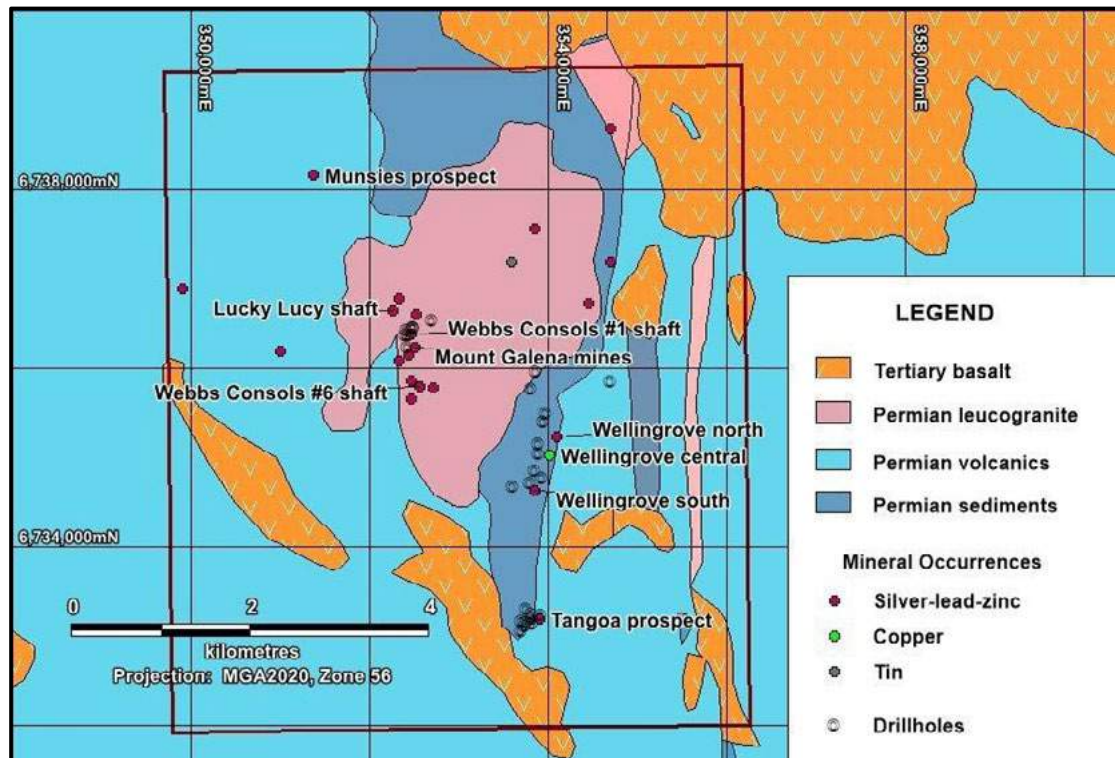


Figure 3: EL8933 Webbs Consols – geology &amp; mine workings

Geological mapping, soil sampling and IP surveys are also recommended to test extensions along major structures.

#### URALLA PROJECT - EL8980 & EL9087

EL8980 – Uralla and EL9087 – Uralla West contain several hydrothermal gold deposits that are associated with regional structures and margins of intrusions. Historical exploration has developed a Reduced Intrusion-Related Gold Systems model, which includes many large gold deposits elsewhere in the world. Drilling has mostly targeted extensions to historical workings and not the conceptual targets or zones of anomalous geochemistry / geophysics.

Rock chip sampling and IP surveys conducted by Lode have identified prospective areas as extensions to historical workings.

EL9087 - Uralla West adjoins on the western boundary of EL8980 and mineralisation styles consist of hydrothermal gold in quartz vein deposits localised by structures intersecting intrusive margins. Shallow drilling of the Bannaweera prospect intersected significant alteration and gold mineralisation and further work is warranted to test for extensions of the mineralised zone.

Exploration programs should target the major structures, especially where they intersect intrusive margins. A combination of soil / RAB sampling and interpretation of the recent IP geophysics should be used to define drilling targets.

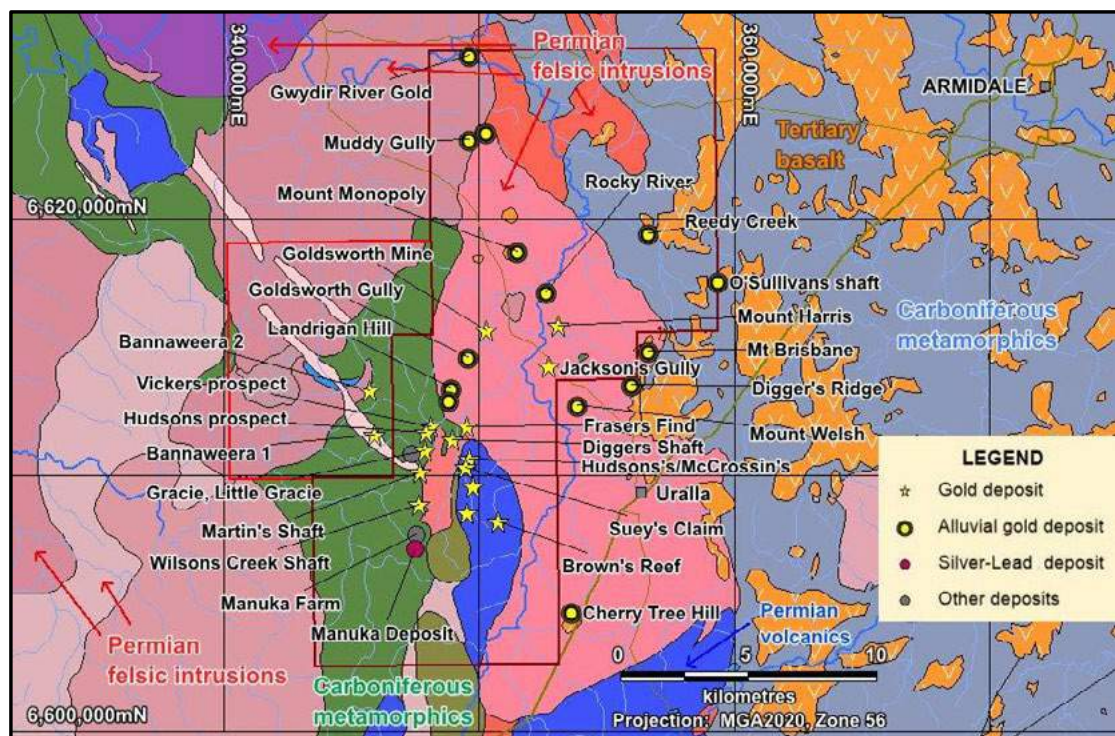


Figure 4: Uralla Project Geology & mineral deposits

## OTHER PROJECTS

### FENDER PROJECT (EL9003)

Within the Fender Project there has been considerable geochemical sampling carried out, but only minor geophysical surveys have been completed. Drilling has been limited to only one prospect.

Many historical workers have commented that the copper deposits are their prime target, being classified as massive, stratiform cupriferous pyrite lenses. Malachite Resources noted that their main targets are "syngenetic exhalative gold mineralisation and epigenetic structurally-controlled gold mineralisation".

The Trough Gully and Fischer's workings have received particular attention as they are VHMS style deposits favourably located within and to the east of the Peel-Manning Fault. The only drilling completed within the EL area was at the Fischer's Prospect, with 11 shallow percussion drillholes totalling 382m drilled during 1971.

Geos Mining notes that the topography is quite challenging in many parts of the tenement and this may have limited the practical ability to complete any drilling. However, we consider that further exploration

should target the better of the prospects such as Fischer's, Trough Gully, Mulla Creek, Herdens/ Edwards/ Rasmussens and Stannings. Trough Gully is a drill-ready target, but the other deposits would require further programs of mapping, geochemical sampling and IP geophysics to define drilling targets.

#### ELSINORE PROJECT (EL9004)

There has been little exploration completed within the immediate area of EL9004. The most significant exploration has been carried out at the Elsinore copper prospect. Extensive soil sampling program outlined a number of spotty Au, As, Cu, Pb and Zn anomalies and highlighted a dominant W-E trend between the two Elsinore prospects, with NW-SE extensions that broadly mimics the orientation and location of coincident felsic dykes. A detailed IP survey defined a chargeable response coincident with the central W-E soil geochemical trend. However, the prospect was not drilled.

In Geos Mining's opinion, the coincident soil / IP anomalies remain as the best target for drilling, although we recommend that, prior to drilling, check sampling and geological mapping is carried out to verify the mineralisation extent and attitude. Additional dipole-dipole IP surveying could be carried out prior to any drilling to determine the extent of the chargeable response and/or EM surveying if it is considered that the mineralisation is more likely to be massive rather than disseminated.

#### TEA TREE PROJECT (EL9084)

Within the area of EL9084, there are two north-west trending, parallel lines of deposits 1.5km apart, together with 20 historical workings on vein, alluvial, and deep lead gold deposits. Gold is associated with pyrite in friable subvertical narrow quartz reefs in shear zones associated with brecciation. High grades reported from the historical workings may be due to supergene enrichment at the base of Oxidation.

There has been very little exploration completed within the area covered by EL9084 despite the numerous historical workings. The only significant exploration program was that by Pinnacle Gold in 2013, who drilled two short Reverse Circulation drillholes to test down dip of the Shamrock workings. The paucity of drilling presents an opportunity for Lode to test below the Base of Complete Oxidation (BOCO) as this has not been evaluated by historical mining.

#### THOR PROJECT (EL9085)

The most obvious structural feature within EL9085 is the Rocky Creek Syncline and a smaller anticline located on the western edge of the syncline. Along the faulted axis of the syncline are fluvioglacial to glacial sediments. In places the fluvial system lies directly on the underlying shelf mudstones of the Namoi Formation. The western edge of the Rocky Creek Syncline is upfaulted, and a small faulted anticline occurs between the upfaulted block and syncline proper.

Pinnacle Gold reported anomalous gold-in-stream sediment samples from previous exploration and some anomalous results coincide with a small anticline located on the western edge of the Rocky Creek Syncline. There are a few scattered indications of gold mineralisation from historic workings but there has been virtually no exploration completed, apart from known mineralisation prospecting.

The opportunity for Lode Resources lies in this unexplored nature of the tenement and it is recommended that initially a 'boots-on-ground' approach is taken to carefully prospect the areas outside of known mineral occurrences. Selective geochemical sampling is also recommended once the prospective stratigraphy is identified in areas of structural complexity.

## CONCLUSIONS AND RECOMMENDATIONS

Historical exploration within the NEO has mostly consisted of geological mapping, surface geochemistry, minor geophysics and shallow drilling around historical workings. Given the prospectivity of the NEO, the lack of defined mineral resources may, in part, be attributed to the paucity of deeper drilling.

The Lode Resources tenements hold potential for a range of deposit styles, from small-medium tonnage high grade mineralisation, mostly associated with major structures, to potentially large tonnage deposits associated with stockworks / breccia zones in intrusive bodies.

Lode has a planned exploration programs totalling \$2.8M (for the Minimum Subscription of \$5.0M) or \$5.1M (for the Maximum Subscription of \$7.5M), as summarised below. Geos Mining has reviewed the programs and considers them appropriate for the tenements at the current state of understanding.

Project	Scenario 1		Scenario 2	
	Year 1	Year 2	Year 1	Year 2
<b>EL8933 - Webbs Consol</b>	241,200	321,600	347,100	422,900
<b>EL8980 – Uralla &amp; EL9087 - Uralla West</b>	332,800	322,400	459,200	423,800
<b>EL9003 - Fender</b>	229,400	321,600	334,900	422,800
<b>EL9004 - Elsinore</b>	26,500	28,400	46,500	328,900
<b>EL9084 - Tea Tree</b>	35,300	20,000	46,500	328,900
<b>EL9085 - Thor</b>	36,800	20,000	58,000	328,900
<b>Miscellaneous</b>	278,000	228,800	510,300	391,900
<b>Contingency 15%</b>	177,000	189,400	270,400	397,200
<b>TOTAL EXPLORATION PROGRAM</b>	<b>1,357,000</b>	<b>1,452,200</b>	<b>2,072,900</b>	<b>3,045,300</b>

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## 1. Introduction

### 1.1. BACKGROUND

Lode Resources Limited (Lode) is an Australian private company that holds seven Exploration Licences (ELs) in the New England region of northern New South Wales (Figure 1). Lode plans to offer a minimum of 25,000,000 Shares at an issue price of \$0.20 each to raise \$5,000,000 (Minimum Subscription) and a maximum of 37,500,000 Shares at an issue price of \$0.20 each to raise \$7,500,000 (Maximum Subscription) and list on the Australian Securities Exchange (ASX). Geos Mining was commissioned to prepare an Independent Geologist's Report (IGR) for inclusion in the Prospectus.

EL8933 Webbs Consols holds potential to host significant mineral deposits of silver-lead-zinc formed as hydrothermal vein deposits within shear zones in granitoids and volcanic rocks.

EL8980 Uralla covers the Rocky River Goldfield and contains several gold deposits mostly associated with major structures and felsic intrusions. EL9087 Uralla West adjoins EL8980 Uralla and contains mineralisation similar to that found in EL8980.

EL9003 Fender covers the Peel-Manning Fault and is prospective for copper dominant VHMS style deposits, in addition to vein/ stockwork hosted gold deposits, tungsten-molybdenum pipes/ veins/ disseminated deposits, porphyry copper-gold deposits and podiform chromite deposits.

EL9004 Elsinore includes an untested and drill-ready structurally controlled copper target within an area of felsic dyke swarms that have intruded meta-sediments and volcanics.

EL9084 Tea Tree covers a large number of structurally controlled gold occurrences that have received very little attention historically. Production records indicate very high gold grades with production ceasing below the base of complete oxidation.

EL9085 Thor includes a structurally disturbed sequence of sediments and pyroclastics / epiclastics between the Peel and Hunter-Mooki Faults. Very little exploration has been completed, apart from known mineralisation prospecting.

### 1.2. PURPOSE OF REPORT

This report aims to provide a compilation of exploration results on the area covered by the Lode tenements. The compilation has been undertaken in accordance with the principles and guidelines of the JORC Code 2012<sup>1</sup> and the VALMIN Code 2015<sup>2</sup> and, as such, is suitable for inclusion in Lode's planned Prospectus to be lodged with the ASX.

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<sup>1</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves

<sup>2</sup> Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets.

This report does not provide a valuation of the mineral assets.

### 1.3. SOURCES OF INFORMATION

Information used in the compilation of this report has been received from Lode and from publicly accessible sources, such as the NSW Department of Planning, Industry and Environment's DIGS database. Reports referred to in this Independent Geologist's Report are listed in the Section 'References'.

Geos Mining has validated the tenement information provided by Lode through the NSW Department of Planning, Industry and Environment's MinView database (<https://minview.geoscience.nsw.gov.au/>). However, this check does not constitute a full legal due diligence of the tenements and the reader is referred to the Solicitor's Report on Tenements included in the IPO Prospectus.

Unless otherwise stated, all coordinates in this report use the Geocentric Datum of Australia 2020 (GDA2020) and the Map Grid of Australia 2020 (MGA2020), which are now the official datum and map projection for Australia. Elevations are expressed in metres in accordance with the Australian Height Datum.

### 1.4. COMPETENT PERSON QUALIFICATIONS & CONSENTS

This Report has been prepared in accordance with the 2015 Code and Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ('VALMIN Code 2015') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition ('JORC Code 2012').

Both codes are binding upon Members of the Australian Institute of Geoscientists ('AIG') and the Australasian Institute of Mining and Metallurgy ('AusIMM'). The author(s) have taken due note of the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission ('ASIC') and the Australian Securities Exchange ('ASX') that pertain to Independent Experts' Reports including ASIC Regulatory Guide 111 – Content of Expert Reports, and ASIC Regulatory Guide 112 – Independence of Experts.

This report has been compiled by:

- Murray Hutton, BA (Hons) Geology, MAIG – Principal Consultant

With assistance from:

- Jeff Randell, BSC (Hons), MAIG - Senior Consultant

Murray Hutton is a Competent Person, as defined in Clause 11 of the JORC Code 2012, being a member of a Professional Organisation with an enforceable professional Code of Ethics and has more than five years' experience in the styles of mineralisation evident within the Lode tenements. Murray Hutton assumes overall responsibility for the contents of this IGR and has provided written consent to Lode Resources for the inclusion of this IGR in full in the Lode Resources Prospectus in the form and context in which it appears.

## 1.5. SITE VISITS

Murray Hutton carried out recent site visits to prospects within the Webbs Consol project area (EL8933) on 20 August 2020 and to prospects in the Uralla Project area (EL8980) and in the Fender Project area (EL9003) on 22 October 2020.

## 1.6. RELIANCE ON OTHER EXPERTS

Geos Mining has not relied on any other experts in compiling this IGR, other than those documents, reports and websites are listed in References.

## 1.7. WARRANTIES AND INDEMNITIES

In confirming the work, Lode Resources Limited warranted that it will:

- Provide all material information in its possession to Geos Mining, including any previous project assessment reports and valuations
- Ensure that necessary access will be assured for Geos Mining staff to the company's personnel and records
- Inform Geos Mining if any information is to be regarded as confidential and not to be included in the final report
- Respect the independence of Geos Mining consultants.

In accordance with Clause 11.4 of the VALMIN Code 2015, Lode Resources Limited has provided indemnities to Geos Mining for any liability:

- resulting from their reliance on information provided by Lode Resources Limited that is Materially inaccurate or incomplete; and
- relating to any consequential extension of workload through queries, questions or public hearings arising from the Public Report.

## 2. Property Description

### 2.1. LOCATION

The Lode tenements are located in the New England Region of northern New South Wales (Figure 1) and cover parts of several 250k and 100k map sheets (Table 2).

Main towns situated near the tenements are Glen Innes, Armidale and Tamworth. The New England Highway connects these towns to Sydney and Newcastle to the south and to Brisbane to the north.

Tenement	Name	Location	250k map sheets	100k map sheets
EL8933	Webbs Consol	36km NW of Glenn Innes	SH56-05 Inverell SH56-06 Glen Innes	9138 Inverell, 9139 Ashford, 9238 Glenn Innes 9239 Clive
EL8980	Uralla	20km W of Armidale	SH56-09 Manilla SH56-10 Dorrigo	9136 Bendemeer 9137 Bundarra 9236 Armidale 9237 Guyra
EL9003	Fender	22km SE of Tamworth	SH56-13 Tamworth	9135 Nundle
EL9004	Elsinore	38km NW of Armidale	SH56-09 Manilla	9137 Bundarra
EL9084	Tea Tree	29km N of Manilla	SH56-09 Manilla	9036 Manilla 9037 Cobbadah
EL9085	Thor	43km NW of Manilla	SH56-09 Manilla	8936 Boggabri 8937 Horton
EL9087	Uralla West	30km W of Armidale	SH56-09 Manilla	9136 Bendemeer

Table 2: Map sheets for Lode tenements

### 2.2. ACCESS & INFRASTRUCTURE

The tenements are well served by roads, power and populated areas.

There are few metalliferous mining operations within the New England region, but several coal mines within the Gunnedah Basin to the west of the area.

### 2.3. TOPOGRAPHY & VEGETATION

The New England region is dominated by the Northern Tablelands plateau. The areas covered by the Lode tenements are drained by generally west-flowing tributaries of the Severn, Gwydir and Namoi Rivers

Vegetation cover is mainly pastureland or scattered native eucalypt forest.

## 2.4. CLIMATE

The New England region lies within a temperate zone and generally free of temperature extremes. The climate at Armidale, near the centre of the region, is classified as *Cfb* in the Köppen–Geiger climate classification system Wikipedia, 2020 (Figure 5).

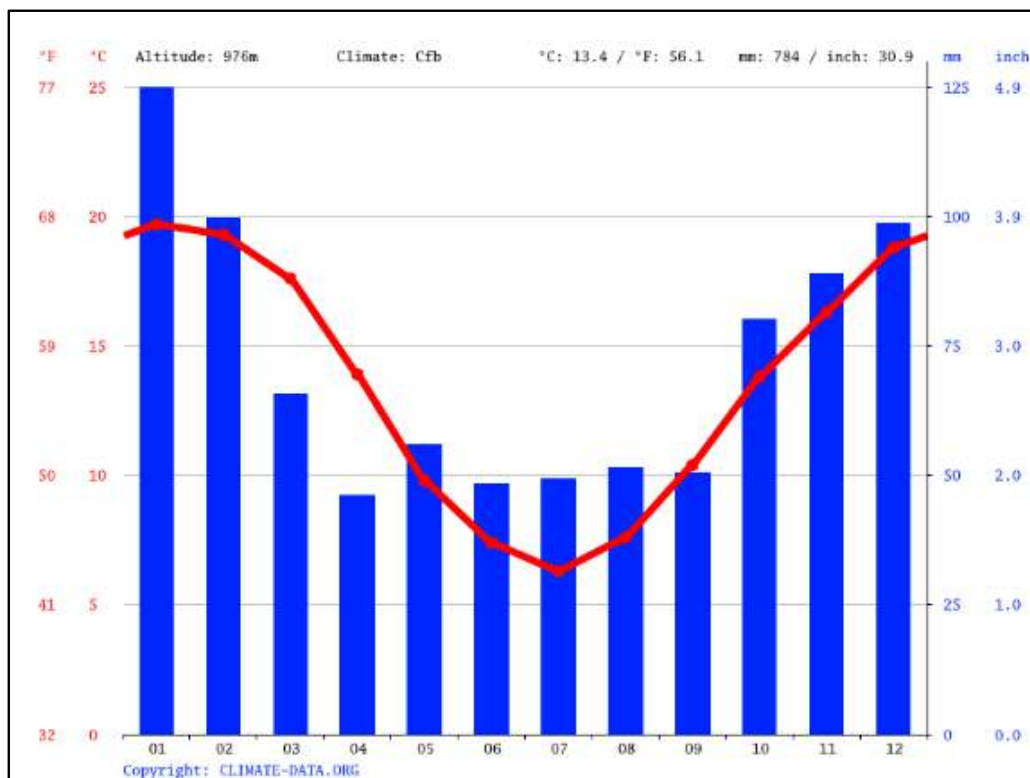


Figure 5: Average temperature (red line) and rainfall (blue bars) data for Armidale

(Source: climate-data.org)

## 2.5. EXPLORATION LICENCE TENURE

The seven tenements are held in the name of Lode Resources Ltd and all are granted ELs for Group One metallic minerals (Table 3).

An Independent Solicitor's Report (Timms, 2021) stating that the tenements are in good standing with no encumbrances or dealings registered against the tenements, has been sighted by Geos Mining.

Tenement	Name	Holder	Status	Grant Date	Expiry Date	Area (units <sup>3</sup> )	Mineral Group	Work Program Commitment <sup>4</sup> Year 1	Year 2	Year 3
EL8933	Webbs Consols	Lode Resources Ltd	Granted	16/01/2020	16/01/2023	16	Group 1	\$35,000	\$40,000	\$50,000
EL8980	Uralla	Lode Resources Ltd	Granted	14/05/2020	14/05/2023	80	Group 1	\$60,000	\$80,000	\$80,000
EL9003	Fender	Lode Resources Ltd	Granted	12/10/2020	12/10/2023	76	Group 1	\$45,000	\$55,000	\$65,000
EL9004	Elsinore	Lode Resources Ltd	Granted	12/10/2020	12/10/2023	32	Group 1	\$30,000	\$45,000	\$45,000
EL9084	Tea Tree	Lode Resources Ltd	Granted	11/03/2021	11/03/2024	24	Group 1	\$35,000	\$40,000	\$50,000
EL9085	Thor	Lode Resources Ltd	Granted	11/03/2021	11/03/2024	78	Group 1	\$45,000	\$55,000	\$65,000
EL9087	Uralla West	Lode Resources Ltd	Granted	12/03/2021	11/03/2024	22	Group 1	\$20,000	\$25,000	\$25,000
							<b>TOTAL</b>	<b>\$270,000</b>	<b>\$340,000</b>	<b>\$380,000</b>

Table 3: Lode Resources Tenements Expenditure Commitments

<sup>3</sup> A graticular unit in the area of the Lode tenements is ~3 km<sup>2</sup><sup>4</sup> NSW Division of Resources and Geoscience requires a commitment to a work program rather than an expenditure commitment. Work programs can be varied annually.

## 2.6. LAND TENURE & SURFACE RIGHTS

Cadastral data has been downloaded from the NSW website SIX Maps NSW Government Spatial Services, 2020 for all tenements. Data includes details of Lot and Deposited Plan numbers together with the administering authority. Landholder details are not provided but can be obtained from proprietary databases such as Confirm (CITEC, 2020).

The diagrams shown in Appendix 1 (Figure 65, Figure 66, Figure 67, Figure 68, Figure 69) show the distribution of Crown Land within each tenement; all other land is classified as 'Freehold'. We note that Crown Land is administered by the Crown Lands Department and access may be restricted. Freehold land may include leasehold land or land in which mineral rights are held by the owner. It is therefore recommended that title searches be carried out to determine the classification of all land parcels as this will determine access requirements and any limitations.

We note that there are recorded sites of European heritage in one of the Lode tenements:

- EL8980 – Captain Thunderbolt sites (Figure 66, blue dots)

## 2.7. NATIVE TITLE AND INDIGENOUS HERITAGE

Native Title Claim application NC2011/006 in the name of the Gomeroi People covers the seven granted Exploration Licences (Appendix 2 - Native Title & Indigenous Heritage Sites). The application has been accepted for registration but has not yet been determined.

A search of the AHIMS website NSW Environment and Heritage, 2020 has indicated that there are recorded cultural heritage sites within EL8933 (4 sites), EL8980 (20 sites), EL9003 (2 sites), EL9004 (1 site), EL9084 (1 site), EL9085 (35 sites) and EL9087 (1 site). An extensive search has been carried out to determine the precise location and nature of these sites, as shown in Figure 71 to Figure 74. A detailed account of these searches is shown in Appendix 2 - Native Title & Indigenous Heritage Sites.

In particular, we note that three sites (6020-16, 6153-01 and 8980-15) are 'Closed Sites'. We would expect that these sites have special significance to the Traditional Owners and recommend consultation with the Traditional Owners. Cultural heritage surveys are recommended to be carried out prior to any surface disturbing activities.

## 2.8. ROYALTIES, FARM-IN RIGHTS, PAYMENTS & AGREEMENTS

Lode Resources has advised that the tenements are 100% fully owned by Lode Resources Ltd with no rights such as royalties payable, options or earn-in rights held by or owed to any third parties (Ted Leschke, email dated 7 October 2020).

The only financial commitments are the normal statutory security deposits, rental fees and levies payable to the New South Wales Government.

## 2.9. ENVIRONMENTAL LIABILITIES

The NSW SEED website (NSW Government, 2020) has been accessed to determine areas of environmental concern within each of the Lode tenements. Diagrams showing the results of this search are shown in Appendix 3 – Areas of Environmental Concern (Figure 75, Figure 76, Figure 77 and Figure 78). An explanation of each of the symbols in these maps is shown in Table 29. Geos Mining has not determined the specific restrictions that may or may not be applied to mineral exploration in these areas, but we note that these will need to be investigated prior to any government approval of surface disturbing exploration activities.

There are no State Forests within any of the Lode tenements although the Plagyan State Forest abuts the western edge of EL9085. The Mount Kaputar National Park is located ~1 km west of the western edge of EL9085.

The Split Rock Reservoir in the southern part of EL9084 supplies water for irrigation and water supply for nearby towns. It is also used for flood mitigation and recreation. Exploration activities that result in surface disturbance in areas upstream of the reservoir may have detrimental effects on the water quality in the reservoir and may require special protocols to mitigate against such effects.

### 3. Historical Exploration

#### 3.1. HISTORICAL EXPLORATION

A total of 95 historical Exploration Licences covered parts of the area of the Lode tenements. Of these, most tenements involved only minor exploration programs that did not significantly progress the understanding of the areas. The most significant historical tenements, in terms of exploration programs undertaken, are listed in Table 4.

Lode Tenement	Tenement	Company	Years	COMMENTS
<b>EL8933</b>	EL1079	CRA EXPLORATION PTY LIMITED	1978 - 1984	Mapping, geophysics & drilling Webbs Consols, Wellingrove & Tangoa prospects
	EL6239	SILVER MINES LIMITED	2004 - 2014	Extensive drilling & modelling at Webbs Consols, Wellingrove & Tangoa deposits
<b>EL8980</b>	EL0327	GULLIVER, E	1970 - 1972	Geochemical sampling at Reedy Creek prospect
	EL2387	LOW, TR	1985 - 1990	Mapping, soil & rock chip sampling Goldsworth mine area
	EL4795	CYPRUS GOLD AUSTRALIA CORP.	1995 - 1997	Soil & rock chip sampling Uralla Goldfield
	EL4886	CYPRUS GOLD AUSTRALIA CORP	1995 - 1997	Soil & rock chip sampling Uralla Goldfield
	EL6219	BANLONA PTY LIMITED	2004 - 2006	Soil, stream sediment & rock chip sampling.
	EL6483	SOVEREIGN GOLD	2006 - 2018	Drilling Martin shaft, costeans & rock chip sampling. Significant Au assay results in drilling
<b>EL9003</b>	EL0464	FISCHERS COPPER MINE PTY LIMITED	1971 - 1972	Soil & rock chip sampling Mt Pleasant prospect
	EL0563	ELECTROLYTIC ZINC COMPANY OF AUSTRALASIA LTD	1972 - 1974	Geochemical sampling & magnetic susceptibility readings at Woolowin prospect
	EL5392	MALACHITE RESOURCES NL	1997 - 1999	BLEG & rock chip sampling at Limbri goldfield
	EL6509	AUZEX RESOURCES LIMITED	2006 - 2008	Soil & rock sampling.
	EL6560	MALACHITE RESOURCES NL	2006 - 2008	Stream sediment sampling.
	EL6613	PEEL EXPLORATION LIMITED	2006 - 2010	Soil & rock chip samples from Mt Pleasant, Trough Gully & Mulla Ck
	EL7770	IRGS NORTHERN GOLD PTY LTD	2011 - 2015	Good rock chip samples from Trough Gully, Fischer's & Mulla Ck
<b>EL9004</b>	EL7768	SUGEC RESOURCES / SOVEREIGN GOLD	2011 - 2016	Soil sampling, IP geophysics
<b>EL9084</b>	EL7859	PINNACLE GOLD P/L	2011 - 2013	2 drillholes at Shamrock.
<b>EL9085</b>	EL7868	PINNACLE GOLD P/L	2012 - 2020	Covers most of EL9085.
<b>EL9087</b>	EL7491	SUGEC RESOURCES / SOVEREIGN GOLD	2010 - 2020	Geochemical sampling 25 DD drillholes, 1,977m

Table 4: Significant historical exploration within area of Lode tenements

### 3.2. LODE RESOURCES EXPLORATION

Since the grant of the ELs, Lode has undertaken compilation of historical exploration reports, rock chip sampling and IP surveys over prospects in EL8980.

## 4. Geological Setting

### 4.1. REGIONAL GEOLOGY

The Lode tenements lie within the southern part of the New England Orogen (NEO) (Figure 2), an accretionary regime formed along the eastern edge of Gondwana from the Devonian to Triassic periods (Li, et al., 2012).

The NEO is a major geological zone that extends from the Newcastle area north to Far North Queensland. The NEO can be described as a complex orogen with ocean island arc, continental margin arc and accretionary sedimentary and volcanic components. Deep ocean sediments were subducted and thrust into the Gondwana land mass at that time. They were mixing with sediments formed from the eroding mountains and volcanoes that existed on the margins of the continent. The NEO has a complex structural history and the sedimentary rocks are generally folded and regionally metamorphosed. The NEO includes a major plutonic province and there are numerous intrusive units, generally felsic in character, as well as extrusive volcanic rocks of similar age and composition.

The NEO is defined by two main cycles of compression-extension. The compression component involves thrust tectonics and advance of the arc towards the continental plate, while extension is characterised by rifting, basin formation, thermal relaxation and retreat of the arc towards the oceanic plate (Jessop, et al., 2019).

The tectonic history of the New England Orogen (Glen, 2011) comprised:

- an intra-oceanic volcanic arc developed over an east-dipping subduction zone during the Early to Middle Devonian
- rifting of the arc during the Late Devonian and formation of late rift basalts and dolerites that contain gold
- collision of that arc with rest of Gondwana (= Lachlan Orogen), formation of stitching plutons
- flip of subduction zone, so that new west-dipping subduction zone forms a Late Devonian to Late Carboniferous continental margin arc built above old collided arc (Figure 6).

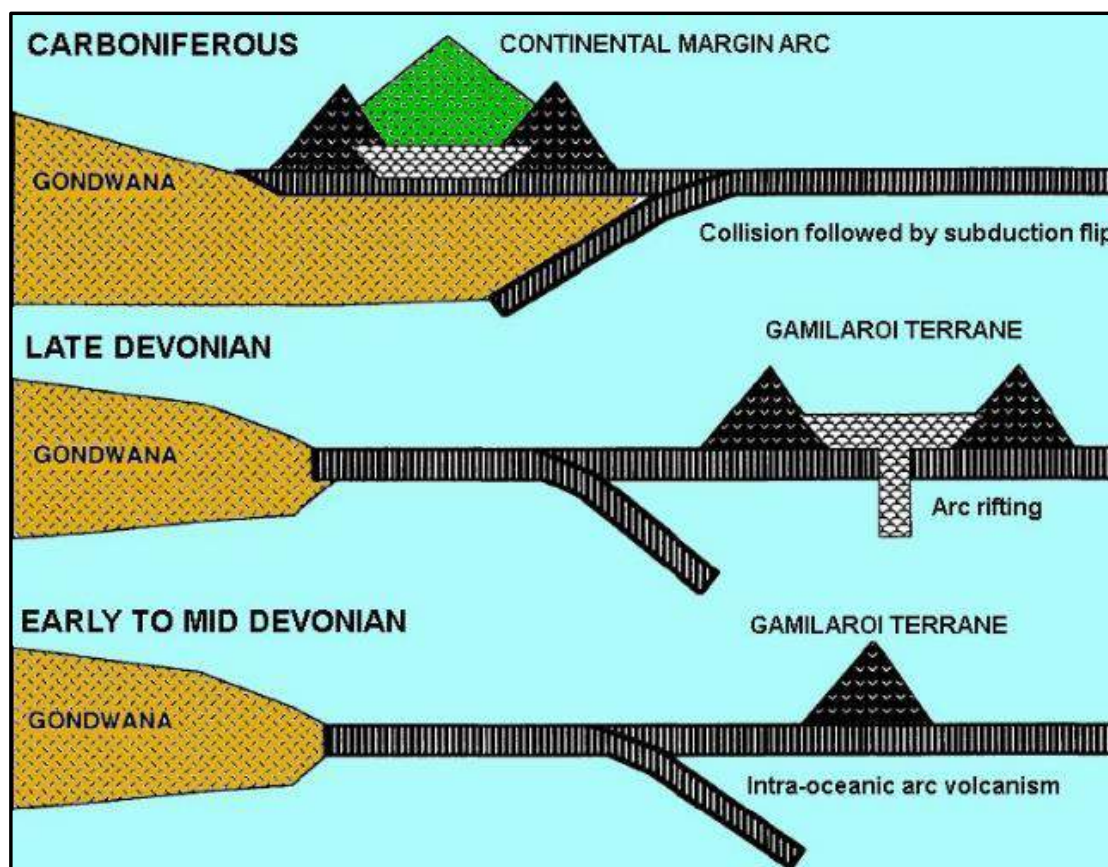


Figure 6: Tectonic history of New England Orogen (Glen, 2011)

Uplift associated with Late Permian or Triassic granitoid intrusion caused the detachment of Carboniferous blocks, which slid south and southwest, generating a low angle thrust along southern parts of the Hunter-Mooki Fault System.

The Peel Fault Zone represents a major structural boundary between the Tamworth Zone to the west and the Central Block to the east. Dipping steeply to the east, the fault is characterized as a zone of reverse faults with several associated splays and was periodically active from the Permian to Neogene. Pods and lenses of serpentinite, which were once part of the oceanic crust, occur along the Peel Fault and associated splays.

#### 4.2. MINERALISATION STYLES, PROSPECTS & MINE WORKINGS

The GSNSW database, downloaded from the Minview website, shows a total of 35 mineral deposits (excluding “occurrences”) within the Lode tenements (Table 5). A variety of mineralisation styles and commodities are represented, including:

- Intrusive-related gold veins

- Intrusive-related polymetallic veins
- Structurally-controlled hydrothermal Au+Sb veins
- Volcanic-associated massive sulphide deposits
- Orogenic quartz-gold veins
- Granite-hosted W-Mo-Bi pipes and disseminated
- Volcanogenic Mn-Fe deposits
- Alluvial / eluvial / deep lead gold deposits
- Alluvial / eluvial / deep lead tin deposits

Gold was discovered in 1851 at Rocky River (latitude 30.57° S / longitude 151.46° E), approximately two kilometres west of Uralla, and a rush to the area started. Discoveries of antimony, coal, gold, silver, lead, zinc, sapphires and tin soon followed, and these minerals have been the most important economic commodities mined in the New England region.

However, despite a lengthy history of mine discovery and production, there is only one metallic minerals mine currently operating in the New England region: the Three Creeks Gold Mine at Upper Bingara (latitude 30.05° S / longitude 150.64° E). Although it is an operating reef gold mine, it is more of a tourist attraction, with a mining museum and gold panning activities.

The Hillgrove gold-antimony mine near Armidale (latitude 30.57° S / longitude 151.90° E) was placed on care and maintenance in 2016 due to low antimony prices (Red River Resources Limited, 2019). However, Red River have reported that underground mining operations are forecast to commence mid to late 2021 in the Metz Mining Centre, which contains Mineral Resources totalling 3.0Mt @ 4.5 g/t Au & 1.4% Sb (426,000 oz gold & 41,000t antimony), reported in accordance with the JORC Code 2012 (Red River Resources Limited, 2020).

In the southern Queensland portion of the NEO, the Twin Hills silver mine (latitude 28.84° S / longitude 151.26° E) was placed on care and maintenance in 2014. Jadar Resources (ASX:JDR) recently announced that it will acquire the project from Moreton Resources (Jadar Resources Limited, 2020). Moreton had previously announced total resources at Twin Hills of 8.4Mt @ 51 g/t Ag (Moreton Resources Limited, 2016).

Other significant mineral deposits in the NEO currently being explored include Corazon Mining Limited's Mt Gilmore cobalt-copper-gold project located 35km northwest of Grafton (latitude 29.46° S / longitude 152.67° E), Chase Mining Corporation Limited's topaz and tungsten project near Torrington (latitude 29.27° S / longitude 151.63° E) and Castillo Copper Limited's Cangai Copper project (latitude 29.50° S / longitude 152.50° E), which has announced total resources of 3.2Mt @ 3.4% Cu (Castillo Copper Limited, 2017).

EL	DEPOSIT_NAME	Commodity	Longitude	Latitude	Size	Style
EL8933	Lucky Lucy shaft	Pb,Ag	151.47605	-29.49099	Small	IRPV
EL8933	Wellingrove south	Pb,Ag,Zn	151.49218	-29.50931	Small	IRPV
EL8933	Bartons quarry	Pb,Ag,Zn	151.47659	-29.49605	Small	IRPV
EL8933	Mount Galena mines	Pb,Ag,Zn	151.47857	-29.49472	Small	IRPV
EL8933	Webbs Consols #1 shaft	Pb,Ag,Zn	151.47808	-29.49336	Large	IRPV
EL8933	Webbs Consols #3 #4 shaft	Pb,Ag,Zn	151.47774	-29.49543	Small	IRPV
EL8933	Tangoa prospect	Pb,Zn	151.49250	-29.52240	Medium	IRPV
EL8980	Brown's Reef	Au	151.44232	-30.64967	Small	IRGV
EL8980	Martins Shaft	Au	151.41077	-30.63163	Small	IRGV
EL8980	Frazers Find	Au,Ag,Sb	151.43059	-30.61335	Small	Structurally controlled
EL8980	Goldsworth Mine	Au	151.43825	-30.58177	Small	IRGV
EL8980	Gracie, Little Gracie	Au	151.41295	-30.62694	Small	Structurally controlled
EL8980	Landrigan Hill	Au	151.42410	-30.60217	Small	Alluvial – deep lead
EL8980	Mount Welsh	Au	151.47552	-30.60856	Medium	Alluvial – deep lead
EL8980	Suey's Claim	Au,Sb	151.42742	-30.62865	Small	Structurally controlled
EL8980	Gwydir River Gold	Au	151.43308	-30.48445	Small	Alluvial
EL8980	Rocky River	Au	151.46301	-30.56871	Large	Alluvial
EL8980	Khatoun prospect	Mn	151.40745	-30.62533	Small	Volcanogenic Mn-Fe
EL9003	New Years Gift	Au	151.11551	-31.06662	Small	Structurally controlled
EL9003	Rackhams Reward Mine	Au	151.14395	-31.05891	Small	Structurally controlled
EL9003	Spring Creek Alluvials	Au	151.10807	-31.07192	Small	Alluvial
EL9003	Fischer's Copper Mine	Cu	151.13250	-31.21571	Small	VAMS
EL9003	Mulla Creek Mine	Cu	151.14929	-31.16183	Small	VAMS
EL9003	Trough Gully Mine	Cu	151.11749	-31.17851	Small	VAMS
EL9003	Woolomin Mine	Cu	151.14111	-31.25823	Small	VAMS
EL9003	Oakview Mn Prospect	Mn	151.12451	-31.08840	Small	VAMS
EL9003	Oakview North Mn	Mn	151.12565	-31.08391	Small	VAMS
EL9004	Boorolong Mo Mine	Mo	151.44320	-30.27345	Small	Granite-hosted
EL9084	Black Mountain Reef	Au	150.66878	-30.47410	Small	Structurally controlled
EL9084	Dyson's Reef	Au	150.66205	-30.49419	Small	Structurally controlled
EL9084	Readings Reef	Au	150.64936	-30.43704	Small	Structurally controlled
EL9084	Shamrock Reef	Au	150.66062	-30.46701	Small	Structurally controlled
EL9084	Teatree Creek Gold	Au	150.65679	-30.49626	Medium	Alluvial
EL9085	Old Willaro Creek Alluv	Au	150.31112	-30.41229	Small	Alluvial
EL9085	Unnamed	Au	150.33376	-30.50177	Small	Alluvial

Table 5: Mineral Deposits within the Lode Resources tenements

Source: Minview; Excludes deposits classified as "occurrences only"

IRPV = Intrusive-related polymetallic veins; IRGV = Intrusive-related gold veins; VAMS = Volcanic-associated massive sulphide

## 5. Regional Exploration Data

Open file exploration data was downloaded from the NSW Government web-based data portal.

Downloaded data included:

- Over 25,000 stream sediment samples collected from the area of the New England Orogen surrounding the Lode tenements
- Over 5,100 soil samples from within or adjacent to the Lode tenements
- 385 rock chip samples from within the Lode tenements
- Exploration reports for 81 Exploration Licences for Group 1 elements that covered parts of the Lode tenements
- Summary information on 116 metallic mineral deposits / mineral occurrences located within the Lode tenements
- Images of regional airborne magnetics data
- Images of regional residual gravity data

Distribution statistics for major elements in the regional stream sediment data are presented in Table 6. Plotting of anomalous values (above 91%ile) did not identify any significant areas of mineralisation that were not previously known. Results for soil and rock chip sampling are discussed in the individual prospect sections.

	Au_ppb	Ag_ppm	Cu_ppm	Pb_ppm	Zn_ppm	As_ppm	Mo_ppm
<b>Count</b>	5,576	5,457	19,780	6,799	16,286	4,755	4,459
<b>Max</b>	400,000	220	3,600	5,100	9,600	9,240	1,200
<b>97%ile</b>	42	2.0	105	70	366	158	10
<b>91%ile</b>	20	1.0	76	42	120	38	5
<b>78%ile</b>	2	1.0	56	28	94	17	3
<b>52%ile</b>	0.4	0.5	40	15	75	8	1

Table 6: Distribution statistics for regional stream sediment samples

Images of airborne magnetics data and residual gravity data are shown in Figure 7 and Figure 8, respectively, showing the influence of the major thrust fault zones in subdivisions of the New England Orogen units.

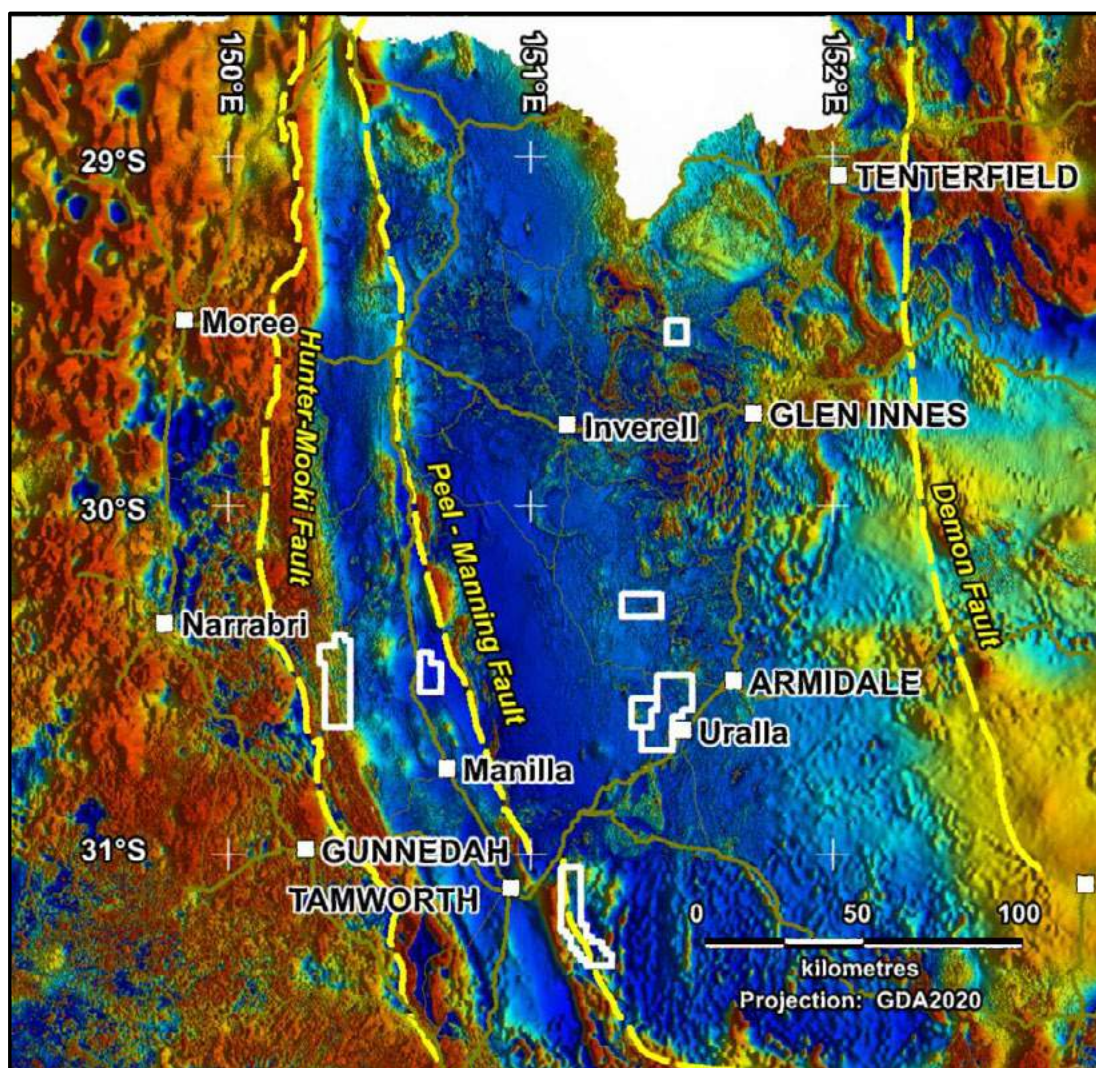


Figure 7: New England Regional airborne magnetic data – TMI-RTP

Source: GSNSW

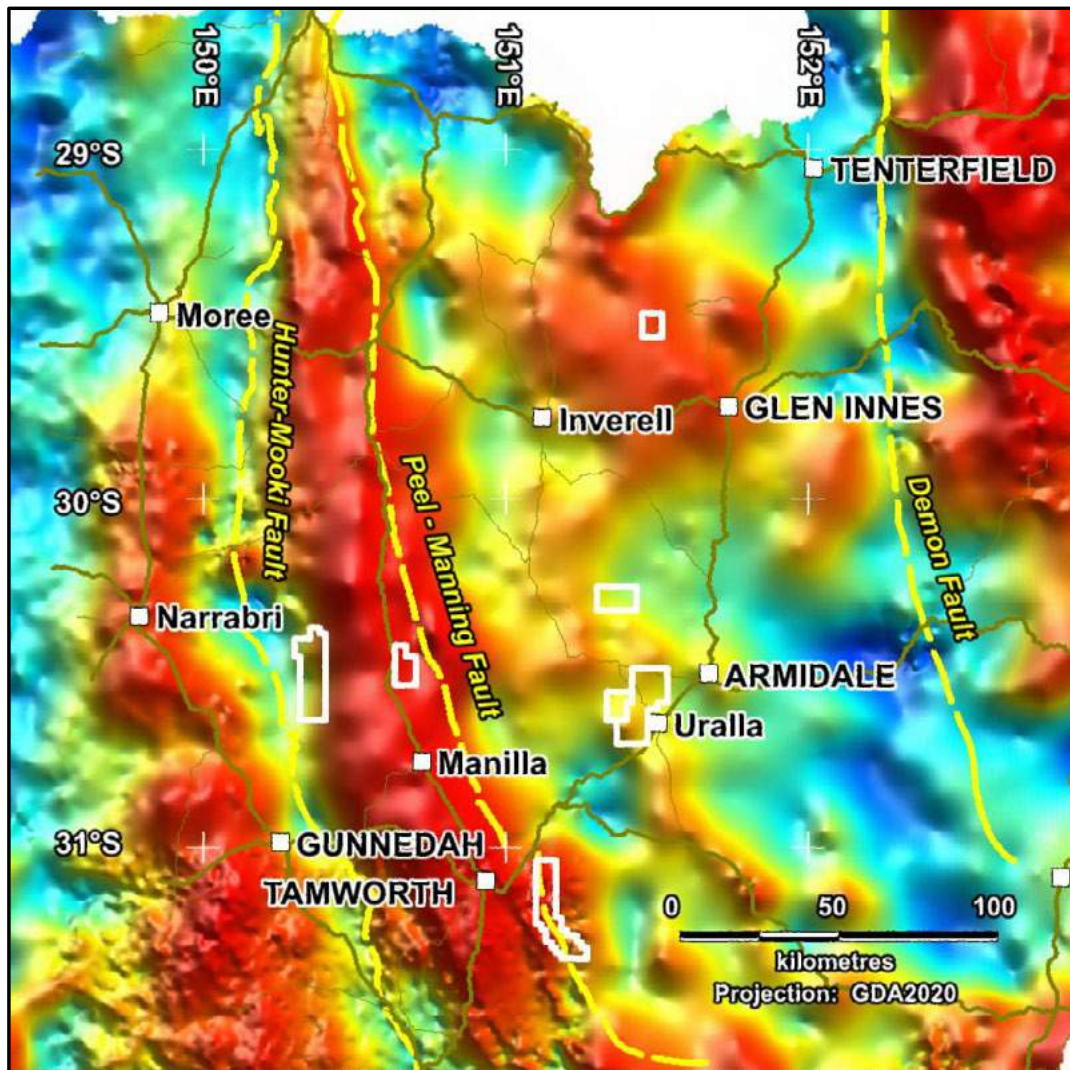


Figure 8: New England Regional Residual Gravity data

Source: GSNSW

## 6. Exploration Rationale

The New England Region holds potential for several styles of mineralisation:

- Intrusive-related gold veins (Uralla, Upper Bingara)
- Intrusive-related tin and tungsten deposits (e.g., Taronga tin, Attunga tungsten, Mole Granite deposits)
- Hydrothermal vein style gold, silver and base metal deposits (Webbs Consols, Webbs Silver)
- Alluvial / eluvial / deep lead gold deposits (Rocky River – Uralla Goldfield, Nundle region)
- Alluvial / eluvial / deep lead tin deposits (Emmaville district)
- Structurally-controlled hydrothermal Au+Sb veins (Hillgrove)
- Volcanic-associated massive sulphide deposits
- Orogenic quartz-gold veins
- Granite-hosted W-Mo-Bi pipes and disseminated
- Volcanogenic Mn-Fe deposits
- Residual bauxite deposits (Inverell district)

Work undertaken recently by other companies and the Geological Survey of NSW has discovered mineralisation and alteration styles comparable to Intrusive-Related Gold Systems (IRGS), which is a classification of deposit only recently defined (based on the Tintina Gold Province of Alaska-Yukon) (Thompson, et al., 1999, Hart, 2005) (Figure 9), but which has become associated with many major gold deposits throughout the world (e.g., Fort Knox, Donlin Creek, Mokrsko, Salave, Timbarra, Kidston).

Hard-rock deposits within the Rocky River-Uralla Goldfield show multiple characteristics diagnostic of Reduced Intrusion-Related Gold Systems, determined from petrographic studies and include anomalous bismuth, gold-bearing sheeted veins, sericitic alteration and tourmalinisation (Leu, et al., 2015).

High-grade pipe-shaped silver-lead-zinc deposits have been identified at several prospects in the Webbs Consols project area. Similarly, the Fender Project tenement contains several copper-bearing massive sulphide deposits.

Most deposits discovered to date within the areas covered by the Lode tenements are small in size, but some are quite high grade and occur in clusters of individual deposits. Collectively, these clusters have potential to constitute economically viable mining operations.

Ongoing programs by the GSNSW continue to reveal information that is useful in locating additional styles of mineralisation in the New England region.

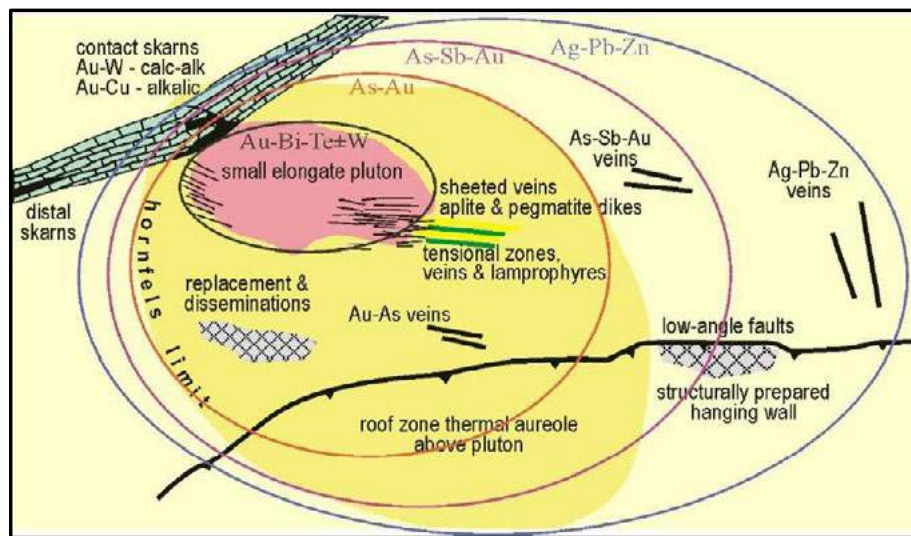


Figure 9: IRGS model from Hart, 2005

## 7. Webbs Consol Project (EL8933)

### 7.1. MINING HISTORY

The Webbs Consols deposit (Photo 1) is located approximately 13km WSW from Emmaville (latitude 29.4933 °S / longitude 151.4781° E). The deposit was discovered in 1884 and worked intermittently until the 1970s (Brown & Stroud, 1997), with an estimated 19,000t of high grade lead-silver ore from a pipe-like body resulting in production of 75,000-100,000 ounces of silver, 750-1,000 tonnes lead and 100 tonnes zinc (McClatchie, 2005).



Photo 1: Webbs Consols No1 Shaft

The main orebody was worked from shafts, drives and stopes from approximately 20m below surface to approximately 12m below the 190' Level<sup>5</sup> (~70m below surface) (Figure 10). The lode is zoned, with lead in the upper levels giving way to zinc at depth (Weber, 1974).

Sampling of the orebody on the "205' Level" by J. H. Grant, a former manager of the mine, returned average assays of 2.74% lead, 22.6% zinc and ~210 g/t silver (Phipps, 1956). However, Phipps, 1956, mentioned that the mineralisation consisted of disseminated sphalerite and galena with scattered pods of massive sulphides and that the sampling may not have given accurate average grades.

Other nearby deposits include Mt Galena, Lucky Lucy, Wellingrove and Tangoa (Figure 11), but only limited production was recorded for these deposits (McClatchie, 2005).

<sup>5</sup> In some publications the workings on this level are referred to as the "205 ft Level".

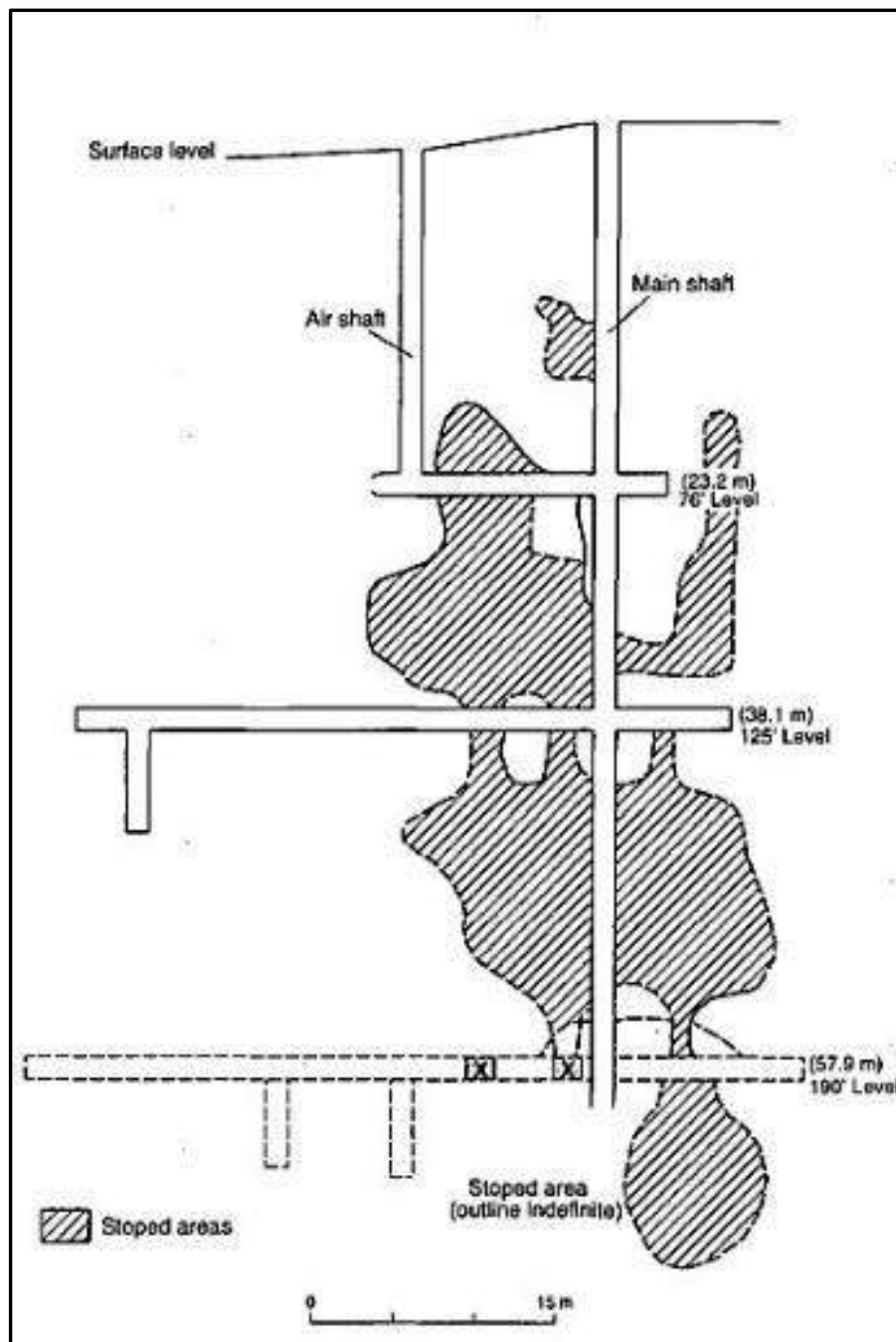


Figure 10: Webbs Consols mine cross-section

Source: Brown &amp; Stroud, 1997

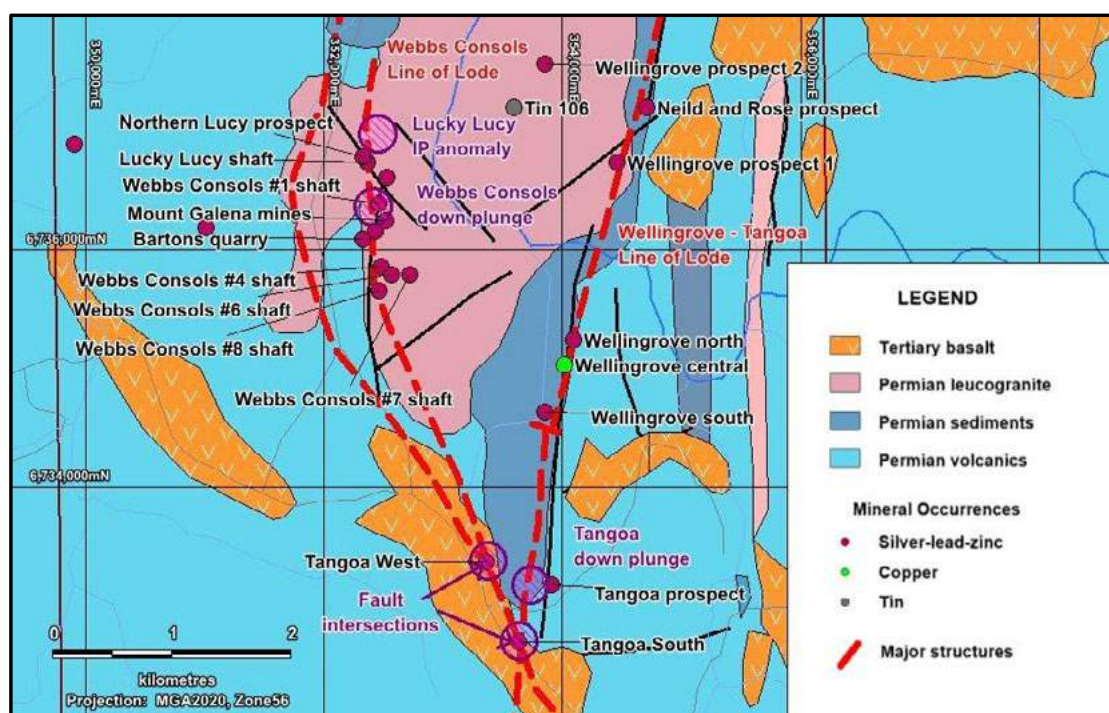


Figure 11: Webbs Consols area Main Mineral Deposits &amp; Conceptual Exploration Targets

## 7.2. HISTORICAL EXPLORATION

Group 1 Exploration Licences that covered EL8933, or parts thereof, are listed in Table 7. ELs for Group 2 Industrial Minerals or Group 6 Gemstones are not shown.

Title_ref	Holder	Start_ymd	End_ymd	Minerals	Area (sb)
EL1079	CRA EXPLORATION	19781001	19820110	Cu Pb Zn Ag Mo	64
EL1465	NEWMONT HOLDINGS	19801001	19811001	Sn W	247
EL1689	CRA EXPLORATION	19810810	19841001	Pb Zn Ag Au Sn	64
EL1908	ABERFOYLE LIMITED	19800901	19830901	Sn	425
EL2015	CRA EXPLORATION	19830401	19841001	Cu Pb Zn Sn Au	6
EL2086	SELTRUST MINING CORP	19830901	19850901	Sn	238
EL3229	TJ & PV NUNAN	19881101	19900928	Pb Zn Ag Au Sb	24
EL6239	SILVER MINES LIMITED	20040517	20140722	As Pb Ag Zn Au	10
EL6431	AUSTRALIA ORIENTAL MINERALS	20050610	20110609	Sn W Mo Bi Cu Pb Ag Zn	29
EL6772	SILVER MINES LIMITED	20070508	20120404	Ag Base Metals	35

Table 7: Exploration Licences covering EL8933

**CRA Exploration**

Significant exploration programs were completed by CRA Exploration (EL1079, EL1689, EL2015) (Figure 12), primarily on the Wellingrove, Tangoa and Webbs Consols prospects (English, 1979b; Matthias, 1982), including:

- Geological mapping
- Stream sediment, rock chip & soil sampling
- Ground magnetics & IP geophysics surveys
- Open hole percussion and diamond drilling (Figure 12)
- Downhole IP & EM

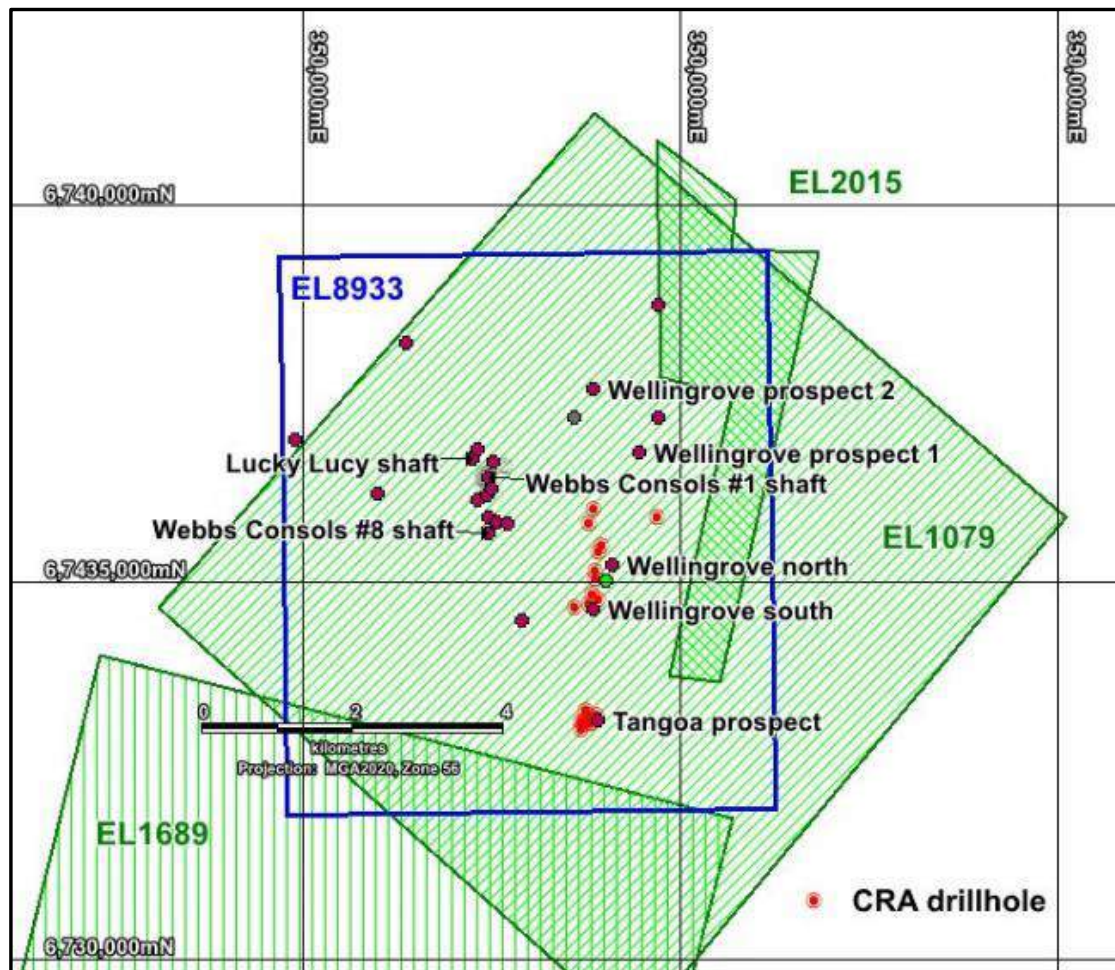


Figure 12: EL8933, CRA ELs and drillholes

CRA initially believed that the Webbs Consols deposit occurred in an acid volcanic sequence, rather than within porphyry and granite intrusives, and targeted volcanogenic massive sulphide mineralisation. However, subsequent geological mapping determined that the mineralisation consists of hydrothermal vein-filling systems localised by structures post-dating the felsic intrusive bodies (Cotton, 1984).

CRA concluded that stream sediment sampling was very effective in locating Pb-Zn mineralisation. Dipole-dipole IP gave consistently good chargeability anomalies in the vicinity of mineralisation, but magnetics and EM methods were ineffective (Cotton, 1984).

CRA undertook extensive soil, rock chip and stream sediment sampling over the Wellingrove and Tangoa prospect areas. However, their data were recorded on maps with limited location reference points and assay results were recorded on hand-written ledgers. These data have not been compiled into the GSNSW geochemical database.

### ***Silver Mines Limited***

Silver Mines Limited ('SML') (EL6239, EL6772) (Figure 13) concentrated on testing the Webbs Consols deposit (James, 2007; Elliott, 2008), including:

- RC drilling (8 drillholes, totalling 734m) (Table 8, Figure 13)
- IP geophysics (Figure 16, Figure 17)
- 3D modelling of the Webbs Consols, Wellingrove and Tangoa deposits (Figure 22)

SML proposed additional drilling for all three main prospects on EL6239, but financial commitments on their Webbs Silver project (located approximately 17km NE of Webbs Consols and outside the area of EL8933) curtailed any further work. A review of the exploration potential conducted by Burke Geoscience in 2009 recommended two conceptual exploration targets at Tangoa South and Tangoa Southwest, both of which occur at the intersections of major fault zones (Figure 11) (Burke, 2009).

Exploration on EL6772, which surrounded EL6239, was restricted to literature reviews and minor rock chip geochemistry of mine dump material. There were no significant results.

## Independent Geologist's Report

## Lode Resources Limited - New England Projects

Geos Mining project 2849-01

HOLE_ID	East MGA20	North MGA20	RL	Azim MGA20	Dip	Length (m)	Prospect	Type	Year drilled	EL No.	Company
78WP1	353802	6734714	786	293	-60	42	Wellingrove	OP	1978	EL1079	CRA
78WP2	353848	6734847	783	292	-60	38	Wellingrove	OP	1978	EL1079	CRA
78WP3	353891	6735044	781	291	-60	50	Wellingrove	OP	1978	EL1079	CRA
78WPC4	353899	6735148	775	283	-53.5	50	Wellingrove	OP	1978	EL1079	CRA
78WPC5	353942	6735400	763	286	-60	50	Wellingrove	OP	1978	EL1079	CRA
78WPC6	353931	6734772	791	291	-65	237.7	Wellingrove	OP/DD	1978	EL1079	CRA
79WC1	352569	6736342	779	292	-60	241.9	Webbs Consols	DD	1979	EL1079	CRA
PD80W7	353978	6735493	760	291	-60	83	Wellingrove	OP	1980	EL1079	CRA
PD80W8	353807	6735773	754	291	-60	53	Wellingrove	OP	1980	EL1079	CRA
PD80W9	353612	6734680	802	291	-60	23	Wellingrove	OP	1980	EL1079	CRA
DD81W10	353869	6735963	747	291	-45	187	Wellingrove	DD	1981	EL1079	CRA
PD80T1	353754	6733155	846	286	-60	83	Tangao	OP	1980	EL1689	CRA
PD80T2	353702	6733162	847	281	-60	41	Tangao	OP	1980	EL1689	CRA
PD80T3	353708	6733059	845	283	-60	59	Tangao	OP	1980	EL1689	CRA
PD80T4	353762	6733307	841	281	-60	107	Tangao	OP	1980	EL1689	CRA
PD80T5	353746	6733115	846	281	-60	95	Tangao	OP	1980	EL1689	CRA
DD80T6	353826	6733145	842	281	-53	252	Tangao	DD	1980	EL1689	CRA
DD81T7	353826	6733145	842	281	-55	3.3	Tangao	DD	1981	EL1689	CRA
DD81T8	353829	6733196	841	281	-55	217	Tangao	DD	1981	EL1689	CRA
DD81T9	353817	6733248	841	281	-55	205	Tangao	DD	1981	EL1689	CRA
DD82T10	353926	6733233	834	281	-62	426	Tangao	DD	1982	EL1689	CRA
SML001	352483	6736453	762	291	-59	102	Webbs Consols	RC	2006	EL6239	SML
SML002	352493	6736448	763	292	-60	42	Webbs Consols	RC	2006	EL6239	SML
SML003	352495	6736447	763	289	-77	42	Webbs Consols	RC	2006	EL6239	SML
RC004	352417	6736426	769	146	-61	120	Webbs Consols	RC	2008	EL6239	SML
RC006	352436	6736374	771	030	-68	128	Webbs Consols	RC	2008	EL6239	SML

HOLE_ID	East MGA20	North MGA20	RL	Azim MGA20	Dip	Length (m)	Prospect	Type	Year drilled	EL No.	Company
RC008	352422	6736233	772	096	-36	90	Webbs Consols	RC	2008	EL6239	SML
RC009	352402	6736377	768	087	-62	111	Webbs Consols	RC	2008	EL6239	SML
RC010	352697	6736540	753	314	-46	99	Webbs Consols	RC	2008	EL6239	SML

Table 8: Historical Drillholes on EL8933

Note: Collar coordinates converted from lat / longs in GSNW database; RL values for CRA drillholes derived from Google Earth

Type: OP = Open hole percussion; DD = Diamond core drillhole; RC = Reverse Circulation percussion

Companies: CRA = CRA Exploration; SML = Silver Mines Limited

HOLE_ID	Prospect	Depth From	Thickness (m)	Pb %	Zn %	Ag ppm
78WP1	Wellingrove	16	2	1.0	0.95	6
78WP1	Wellingrove	26	2	1.2	1.2	11
78WP2	Wellingrove	29	6	1.0	0.9	4
78WP3	Wellingrove	30	6	1.3	1.3	25
78WPC4	Wellingrove	46.5	2	2.4	2.7	22
78WPC6	Wellingrove	212	4	1.8	1.5	9
PD80T2	Tangoa	53	30	3.2	3.4	13
PD80T3	Tangoa	19	2	1.0	1.0	8
PD80T5	Tangoa	77	6	1.5	1.5	6
DD81T8	Tangoa	166	3.8	10.3	7.4	75

Table 9: CRA drilling, significant mineralisation intervals

Sources: English, 1979a, English, 1979b, Matthias, 1982

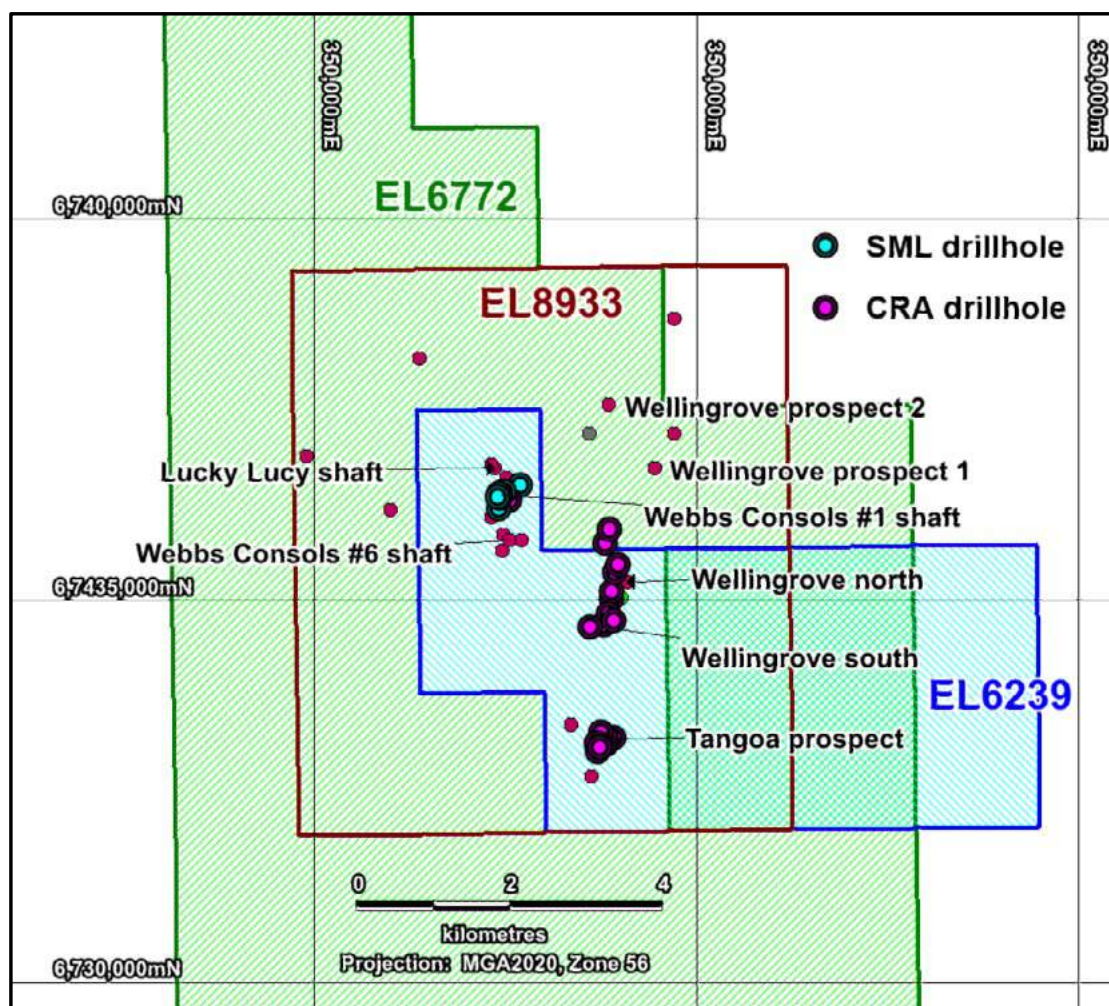


Figure 13: EL8933, SML ELs and drillholes

### Other Companies

Other companies that held ELs over parts of EL8933, including Aberfoyle, Newmont, Seltrust and Australia Oriental Minerals, were primarily interested in granite-hosted tin mineralisation and, apart from stream sediment sampling that did not return any significant results, did very little exploration within the area of EL8933.

### 7.3. DEPOSIT TYPE

The main deposits within EL8933 are considered to be hydrothermal vein-type mineralisation forming several elongate pods or lenses that are discontinuous along a total strike extent of approximately 5km (Cotton, 1984) (Photo 2).



Photo 2: Webbs Consols mineralisation, sample from mine dump

Scale in centimetres

Mineralisation occurs in steeply dipping pipe-like bodies and veins that have formed along the intersection of the main north-south shear zones and northeast-trending en echelon cross-fractures (James, 2007). At Webbs Consols, the host rocks are a silica-rich, fractionated, I-type leucogranite (Webbs Consols Leucogranite) and quartz porphyry that have intruded Late Permian Emmaville Volcanics and undifferentiated Early Permian clastic sediments (James, 2007). The Wellingrove-Tangoa line of lode is located along the eastern margin of a block of undifferentiated sediments (Cotton, 1984).

The Webbs Consols deposit shows vertical zonation, with galena-arsenopyrite in the upper levels grading into sphalerite-chalcopyrite at the 60m level (Phipps, 1956). Fluid inclusion studies indicated a temperature of formation of 250°- 400°C (Brown & Stroud, 1997). Sulphur isotope studies indicated that the mineralisation had a magmatic source.

#### 7.4. GEOLOGICAL MAPPING

Geological mapping by CRA Exploration was aimed initially at defining prospective volcanic host rocks for VMS style deposits. However, later studies (including a mapping program in conjunction with a BSc

Honours student from University of New England, S Meldrum (cited in Cotton, 1984) established that the Webbs Consols host rocks were sheared intrusive rocks and that mineralisation was localised along the intersection of the main shear and cross-cutting faults. The Webbs Consols line of lode, which includes the Lucky Lucy, Bartons Quarry and Mt Galena deposits, and the Wellingrove-Tangoa line of lode were interpreted as hydrothermal-type vein filling deposits.

## 7.5. SURFACE GEOCHEMISTRY

CRA's stream sediment sampling was mainly in drainages located within the southern half of EL8933. They concluded that the sampling was very effective in locating Pb-Zn mineralisation (Figure 14). All Pb and Zn anomalies were shown to be draining areas of altered porphyry similar to those hosting mineralisation in the main prospects (Cotton, 1984).

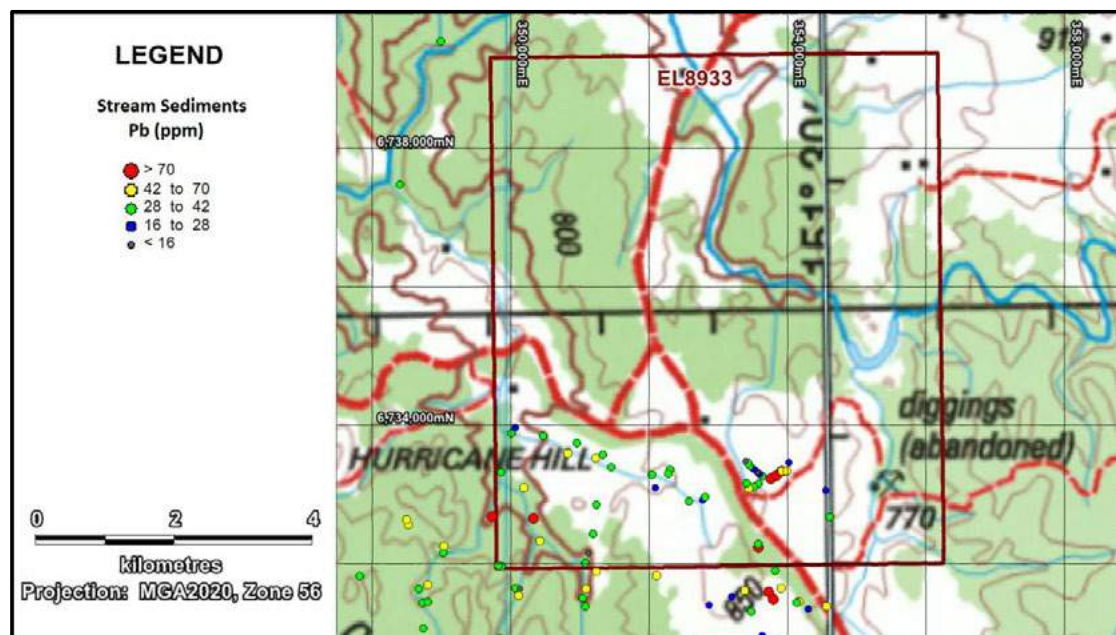


Figure 14: EL8933, historical stream sediment results – Pb (ppm)

CRA conducted grid soil sampling along several local grids over the Wellingrove, Tangoa and Tangoa West Prospects (Cotton, 1984). Unfortunately, the sample location plans contain insufficient reference points to enable them to be georeferenced in a standard map datum and assay results were presented in exploration reports as hand-written sample ledgers. Compilation into a digital database has not been undertaken. Only minor Pb-Zn anomalies were defined by the soil sampling, mostly on single lines (English, 1979b; English, 1981a).

SML undertook limited soil sampling over the northern extension of the Lucky Lucy deposit during 2008 (70 samples). The results showed encouraging values, with several samples recording >400ppm Pb, suggesting a north-trending extension of the mineralisation (Elliott, 2009). They also collected 17 rock chip samples,

seven of which returned significant assays for silver, lead, zinc and copper (Figure 15). The annual report did not describe the sampling methodology, but it is assumed to have been selective sampling of visible mineralisation / veining.

Lode Resources collected 20 rock chip samples from the Webbs Consols project area during 2020, mostly from the Lucky Lucy prospect and extensions to the north (Figure 15). Of the 20 samples, 14 reported assays greater than 0.1% lead and 3 reported assays greater than 1% lead, with associated high silver (> 20 ppm Ag) and arsenic (up to 7% As) values. Details of the sampling are not available, but they are assumed to have been selective sampling of visible mineralisation / veining.

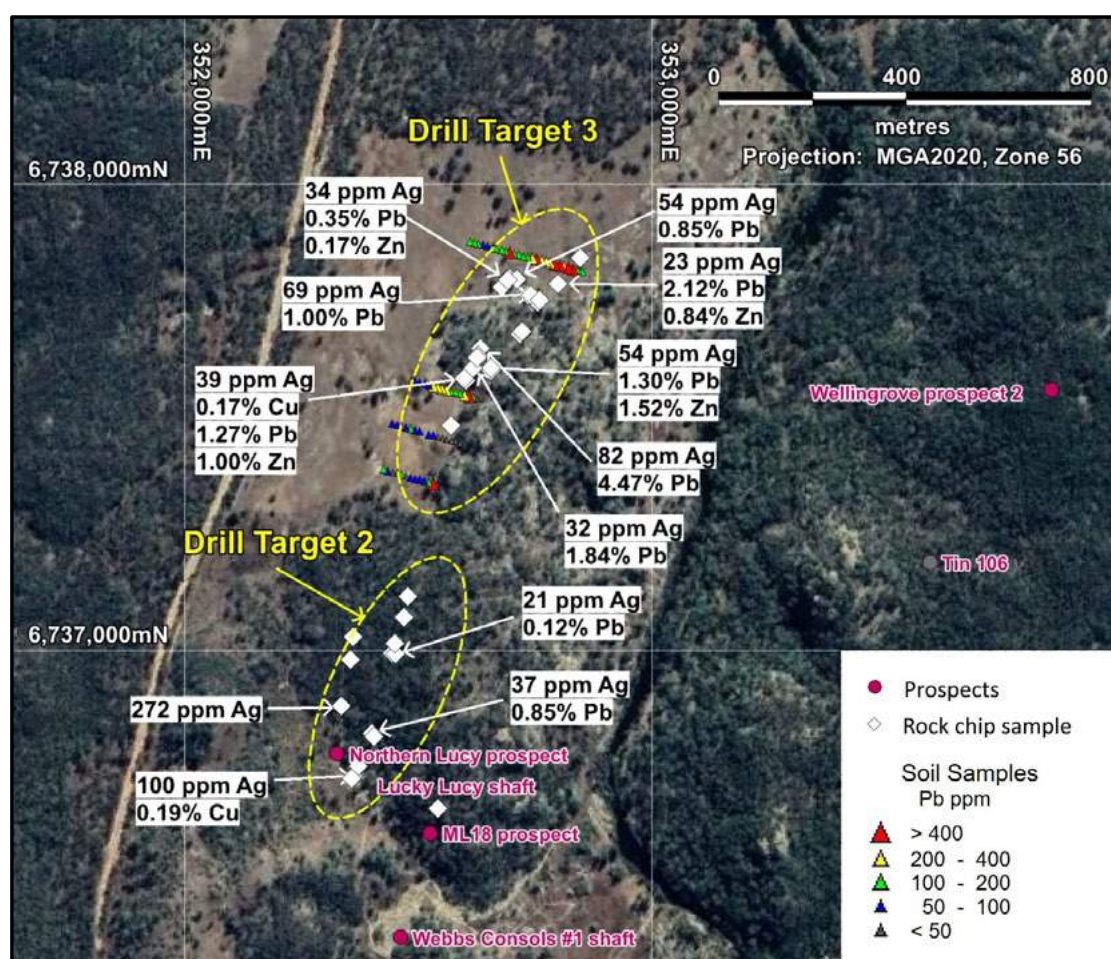


Figure 15: Lucky Lucy northern extension, soil & rock chip sampling

## 7.6. GEOPHYSICS

CRA completed Induced Polarisation (IP), Electromagnetics (EM) and magnetics surveys over several grids covering the Webbs Consols, Wellingrove and Tangoa Prospects. Dipole-dipole IP gave consistently good

chargeability anomalies in the vicinity of mineralisation, but magnetics and EM methods were ineffective (Cotton, 1984).

SML completed IP surveys covering the main Webbs Consols line of lode and areas to the north (Figure 16, Figure 17). The first phase of the program identified several discreet chargeability anomalies outside of known zones of mineralisation. Interpretation of the modelled data defined two main zones of anomalous chargeability response up to five times background and two lesser anomalies (James, 2007). These anomalies may reflect zones of alteration containing disseminated sulphides. The northeasterly trend of the Lucky Lucy Anomaly 1 is unusual as it is oblique to the dominant N-S and NW-SE structures in the area (McClatchie, 2005).

Modelling of the IP data has been undertaken by Lode Resources. Chargeability and apparent resistivity profiles along Line 1400N, through the middle of the Lucky Lucy Anomaly 1, indicate a broad near surface zone (Figure 17).

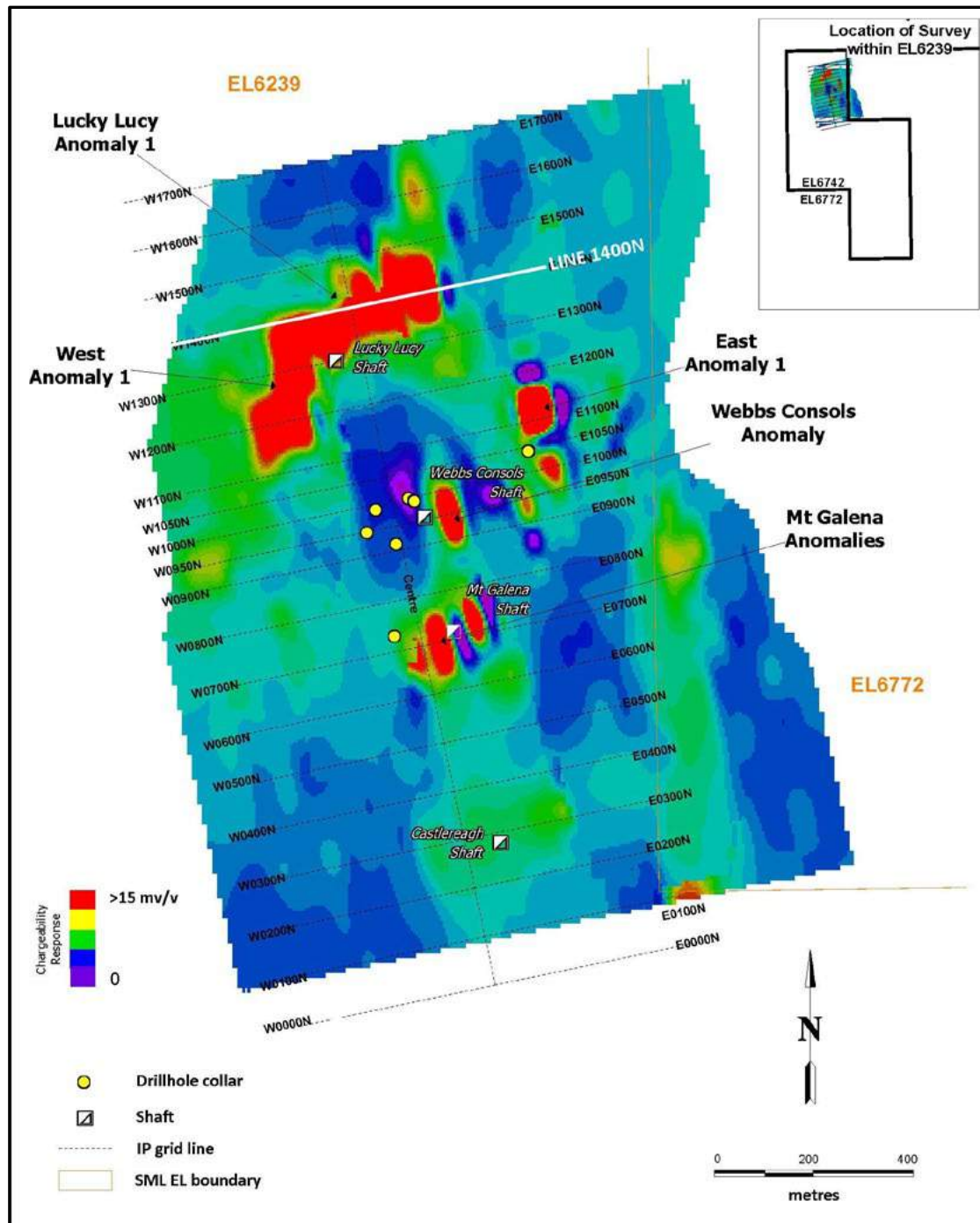


Figure 16: Silver Mines IP anomalies

Source: Modified from Elliott, 2008; Grid coordinates not shown on original map

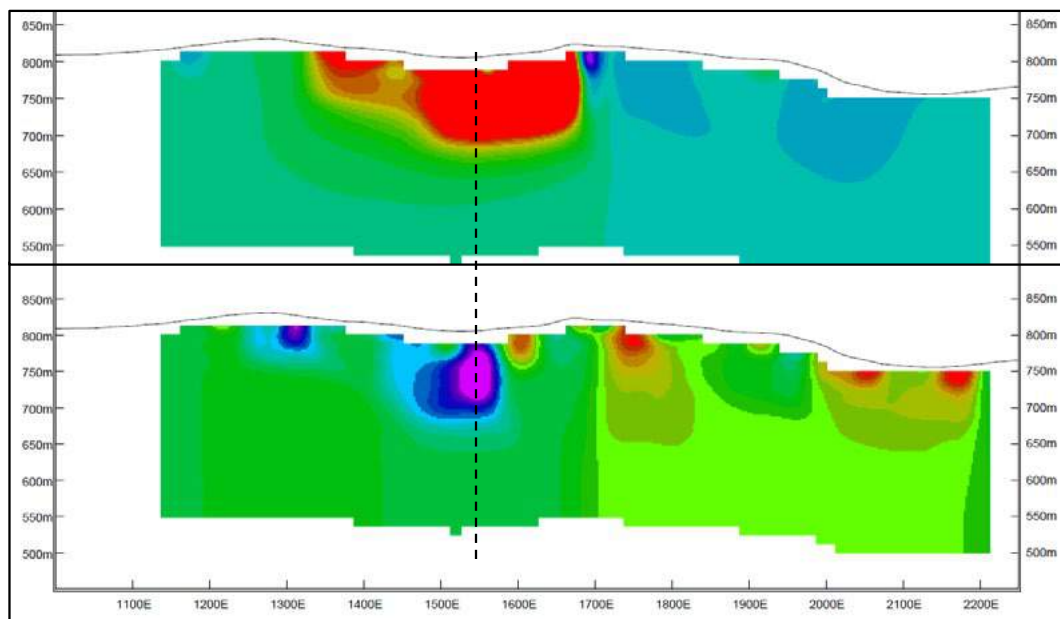


Figure 17: Modelled IP Chargeability (top) and Apparent Resistivity (bottom) on Line 1400N

Source: Lode Resources

## 7.7. DRILLING

Drilling programs on the Webbs Consol Prospect are detailed in Table 8 and shown in Figure 18, with CRA drillhole collars in red and SML drilling in blue.

### **CRA Exploration**

CRA completed several drilling programs on the Webbs Consols, Wellingrove and Tangoa Prospects (Table 8). Apart from the diamond drillholes, the other drillholes are referred to in the CRA reports as “percussion drilling”.

Summary drillhole assay intervals, derived from the CRA reports, are listed in Table 9. The one diamond drillhole that targeted the down-dip extension of the Webbs Consols deposit (DDH 79WC1) intersected only a 0.5m width of disseminated sphalerite and chalcopyrite mineralisation. However, this drillhole may have missed the lode extension as mine records state that the mineralisation in the lower levels of the deposit (at the 190' / 60m Level) dips steeply (~75°) to the west (Figure 19) (Phipps, 1956).

At the Wellingrove prospect, percussion and diamond core drilling intersected shallow low-grade base metal mineralisation with a deeper intersection in the diamond core drillhole 78WPC6 (Figure 20) (English, 1979b).



Figure 18: Webb's Consols Prospect drilling with better grade intersections

At the Wellingrove prospect, CRA's RC and diamond core drilling intersected shallow low-grade base metal mineralisation with a deeper intersection in the diamond core drillhole 78WPC6 (Table 9, Figure 20) English, 1979b. While these results confirm the structural controls on the mineralisation, they do not appear to be significant from an economic point of view.

CRA concluded that the strike and depth limits of a small massive Pb-Zn sulphide body at the Tangoa prospect had been confidently defined by drilling and downhole EM surveys (Figure 21) (Cotton, 1984). The best intervals of mineralisation were recorded in drillholes DD80T6 (30m @ 3.2% Pb, 3.4% Zn, 13 ppm Ag at the bottom of the drillhole) and DD81T8 (3.8m @ 10.3% Pb, 7.4% Zn, 75 ppm Ag) (Matthias, 1982).

Geos Mining believes that these results are worthy of additional exploration to try to determine down-plunge extensions of the mineralisation.

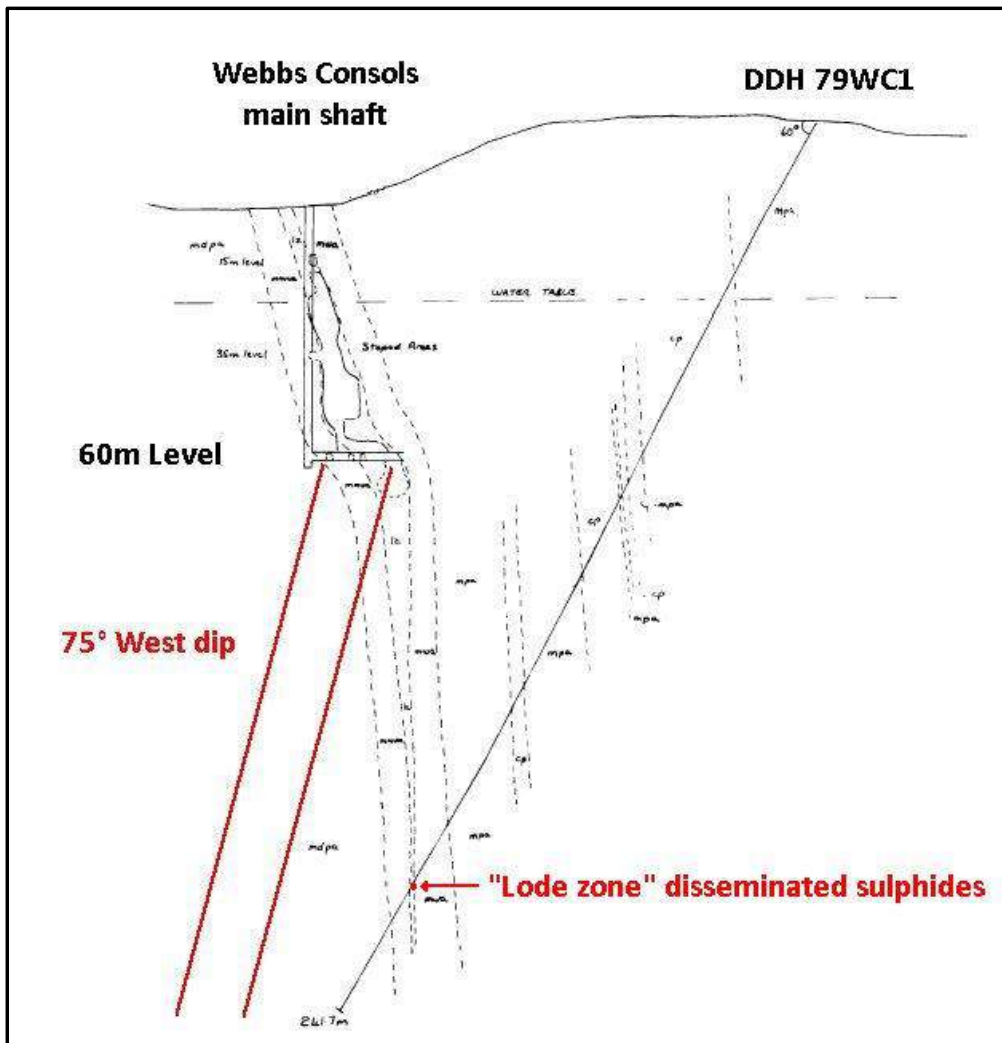


Figure 19: Cross-section of CRA drillhole 79WC1, looking north

Modified from English, 1979b

**Silver Mines Limited**

SML's initial drilling program in August 2006 consisted of three reverse circulation drillholes (totalling 186m) to test for possible northerly extensions of the Webbs Consols mineralisation and for possible supergene enrichment near the surface James, 2007. Assay results were generally poor, with better grade intersections rarely exceeding 1% Pb+Zn (Table 10, Figure 18). Follow-up drilling in 2008 (5 RC drillholes totalling 548m) also failed to intersect the main body of the Webbs Consols mineralisation.

SML's 3D modelling of the Webbs Consols workings and drillhole traces illustrated that none of the drillholes had tested the plunge of the ore shoot (Figure 22) (Vukovic, 2012).



Figure 20: Wellingrove Prospect drilling with significant intersections



Figure 21: Tangoa Prospect drilling with significant intersections

HOLE_ID	Prospect	Depth From	Thickness (m)	Pb %	Zn %	Ag ppm
SML001	Webbs Consols	2	8	0.78	0.74	6.2
SML003	Webbs Consols	33	8	0.54	0.63	4.8
RC006	Webbs Consols	0	5	0.27	0.12	12.7
RC008	Webbs Consols	69	2	0.22	0.31	5.0

Table 10: SML drilling, best mineralisation intervals

Sources: James, 2007, Elliott, 2008

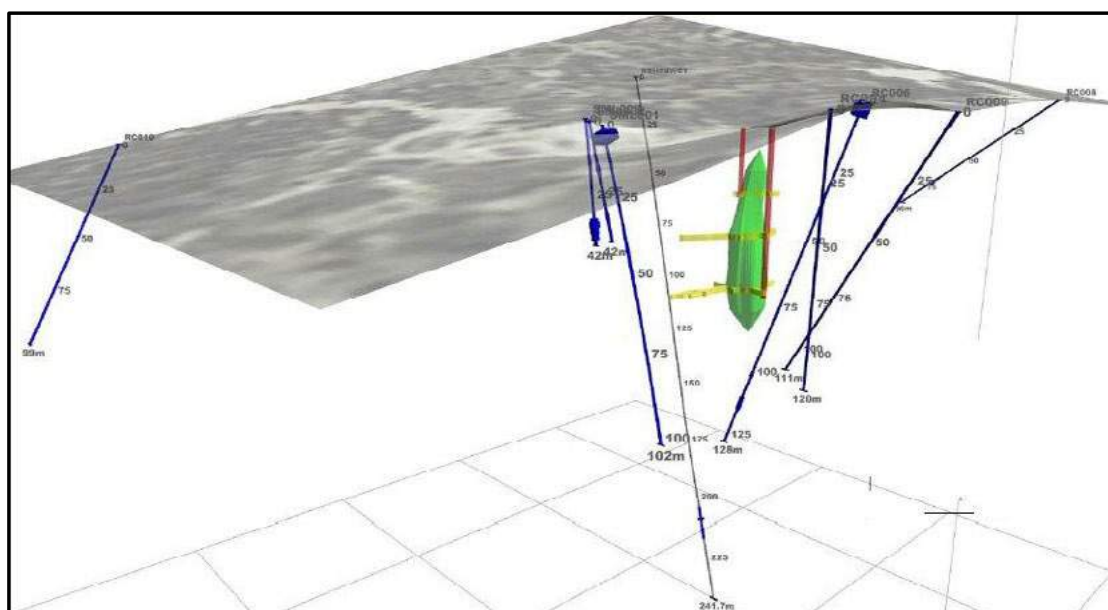


Figure 22: Webbs Consols 3D model, perspective view looking SE

Source: Vukovic, 2012

## 7.8. MINERAL RESOURCES

No Mineral Resources compliant with the JORC Code 2012 have been determined for deposits within EL8933.

The Metallogenic Study for the Inverell Metallogenic Map (SH/56-05) reported a small tonnage of Pb-Zn-Ag mineralisation at the Tangoa Prospect in a steeply-plunging pipe-like body confined in a N-S trending shear Brown & Stroud, 1997. Due to doubts as to how the tonnage and average grades were determined, we do not consider that this tonnage-grade estimate would meet the requirements of the JORC Code 2012.

## 7.9. POTENTIAL

EL8933 holds potential for discovery and definition of several hydrothermal vein-style silver + base metal (Pb-Zn-Cu) ( $\pm$  gold) deposits forming high-grade sulphide bodies along the junctions of north-trending and northwest-trending structures. Previous mining and exploration have located several discrete bodies along the two main lines of lode: Webbs Consols-Lucky Lucy-Mount Galena, and Wellingrove-Tangoa. Drilling programs by CRA and Silver Mines were designed to test along-strike extensions and failed to intersect the postulated steeply plunging bodies.

The main bodies of mineralisation show strong structural control. Two zones identified by Burke, 2009, are interpreted to occur at the intersections of major structures (Figure 11), but are overlain by Tertiary basalt, and so have probably not been tested by previous exploration. We have named these prospects Tangoa West and Tangoa South, respectively.

Other targets worthy of testing are:

- IP anomalies north of Lucky Lucy, with high grade (Pb-Ag) rock chip samples
- down-plunge extension of the Webbs Consols deposit
- down-plunge extension of the Tangoa deposit.

Potential tonnages for individual deposits are likely to be small to medium. However, the anticipated high grades make the targets worthy of further exploration, especially if several deposits can be located within close proximity to each other.

## 7.10. RECOMMENDATIONS

Recommendations for exploration programs for EL8933 are:

- Diamond drilling of the down-plunge extensions of the Webbs Consols mineralisation: 3-4 drillholes totalling ~800m; downhole IP if sufficient mineralisation intersected
- Diamond drilling of the down-plunge extensions of the Tangoa mineralisation: 3-4 drillholes totalling ~800m; downhole IP if sufficient mineralisation intersected
- If the CRA geophysics and geochemistry plans can be georeferenced, digital data entry of IP geophysics and geochemical sampling data
- If required, additional IP surveys to firm up drilling targets in anomalous areas, including the Tangoa West and Tangoa South prospects, and the IP anomaly north of Lucky Lucy
- Diamond drilling of targets defined by the data processing or additional IP surveys.

## 8. Uralla Project (EL8980)

### 8.1. MINING HISTORY

Gold was discovered at Rocky River, west of Uralla, in September 1851; one of the earliest gold discoveries in the New England region. Further discoveries led to the development of a major alluvial goldfield by November 1852 (McQueen, 2017). Initial production came from shallow alluvial deposits, until the discovery of deep lead deposits beneath Tertiary basalt flows at Mount Jones in 1856. Lode gold deposits were found in granite and felsic dykes around the Rocky River and worked from the early 1890s. From the early 1900s, dredging of old diggings was undertaken within the Uralla Goldfield. Total estimated gold production from the Rocky River goldfield was at least 4.3t Au (~140,000 ounces), mostly from deep leads (McQueen, 2017).

### 8.2. HISTORICAL EXPLORATION

Recent exploration has primarily targeted large, low-grade intrusion-related gold and tin-tungsten deposits. Significant exploration programs for Group 1 minerals are summarised in Table 11.

Tenement	Company	Years	Comments
EL0204	CRA EXPLORATION PTY LTD	1969-1970	Covers 80% of EL8980. Rock chip and stream sediment sampling (1969 samples) for Sn, W.
EL0327	GULLIVER, E	1970-1972	Gold & base metal geochemical sampling at Reedy Creek prospect.
EL0338	NICKEL MINES LIMITED	1970-1971	Covers only eastern third of EL8980.
EL1496	BROKEN HILL METALS NL	1980-1982	Alluvial gold and deep lead search. Churn drilling.
EL2089	KINEX PTY LIMITED	1983-1988	Small block includes Gwydir River alluvial gold prospect. Extensive pitting and costeaning. Preliminary mine planning.
EL2387	LOW, Thomas Ross	1985-1990	Mapping, soil & rock chip sampling Goldsworth mine area. No drilling – access denied Project Geoscience Pty Ltd, 1990.
EL4480	URALLA GOLD PTY LTD	1993-1993	Brief look at alluvial/ deep lead potential.
EL4795	CYPRUS GOLD AUSTRALIA CORPORATION	1995-1997	Stream sediment, soil & rock chip sampling Uralla Goldfield.
EL4886	CYPRUS GOLD AUSTRALIA CORPORATION	1995-1997	Soil & rock chip sampling Uralla goldfield.
EL6219	BANLONA PTY LIMITED	2004-2006	Soil, stream & rock chip sampling. Gold panning.
EL6483	BIACIL HOLDINGS PTY LTD (SOVEREIGN GOLD COMPANY LIMITED)	2005- 2019	Assessment of alluvial deposits. Drilling hard rock deposits at Martin Shaft, Frasers Find, Melvaines, Wilsons Creek, Gracie & Vickers prospects. Mapping, costeaning & rock chip & soil sampling. Airborne magnetics / radiometrics.
EL7700	URALLA GOLD PTY LTD	2013-2014	Soil & rock chip sampling.

Table 11: Previous Exploration Licences within the area of EL8980

### 8.3. GEOLOGICAL SETTING

The EL8980 area lies within the Central Block of the New England Orogen (Figure 23). The main rock units consist of:

- **Sandon Beds** (Upper Devonian - Carboniferous) - Low-grade, regionally metamorphosed, multiply deformed lithic wacke, paraconglomerate, siltstone, mudstone, minor chert, jasper, spilite.
- **Bundarra Supersuite** (Early Permian) – S-type granite plutons, reduced, weakly fractionated.
- **Wandworths Volcanics** (Late Permian) - Undifferentiated felsic volcanic rocks, minor sedimentary rocks and granite. Dominantly ignimbritic rhyolite, rhyodacite (some emplaced as a lava) and dark crystal-lithic tuff; minor dacite, andesite, trachyte; interbedded fine-grained sedimentary rocks
- **Yarrowyck Granodiorite** (Late Permian – Early Triassic) - Weakly zoned, from medium-grained, biotite-hornblende-(pyroxene) I-type granodiorite to fine-grained, leucocratic monzogranite.
- **Uralla Granodiorite** (Late Permian – Early Triassic) - Grey, coarse-grained, approximately equigranular, biotite-hornblende-(pyroxene) I-type granodiorite, with minor monzogranite; finer-grained, porphyritic marginal variant.
- **Manuka Farm Porphyritic Microgranodiorite** (Early Triassic) - Texturally heterogeneous, fine to medium-grained, commonly porphyritic possibly quartz-poor I-type granodiorite–quartz monzodiorite, ranging from pyroxene-dominant to hornblende-biotite dominant ferromagnesian assemblages.
- **Khatoun Tonalite** (Early Triassic) - Medium-grained, equigranular hornblende-biotite-(pyroxene) I-type granodiorite to tonalite, and minor pyroxene tonalite; fine-grained, porphyritic chilled margin.

The Uralla Granodiorite, and associated minor plutons and felsic dykes, were emplaced in a tectonic setting that is composed of many elements of Reduced IRGS deposits and are believed to be responsible for auriferous mineralisation systems within the Uralla Goldfield (Leu & Roberton, 2011). Characteristics diagnostic of an IRGS were also determined from petrographic studies and include anomalous bismuth, gold-bearing sheeted veins, sericitic alteration and tourmalinisation (Ashley, 2011). Ashley also noted that the nature of the alteration-mineralisation in the drill core samples studied illustrated affinities of the Uralla gold system with both orogenic and intrusion-related systems.

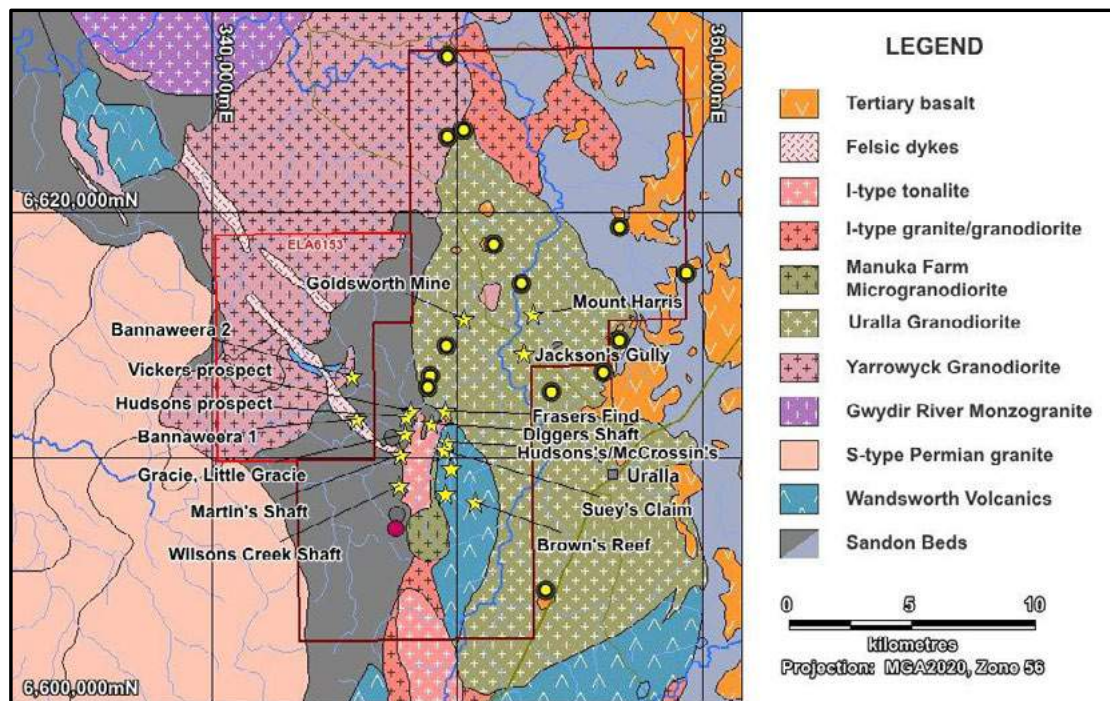


Figure 23: EL8980 Geological Setting and hard rock Mineral Deposits

Red outline = EL9087 Uralla West

#### 8.4. DEPOSIT TYPES

The NSW mineral occurrence database NSW Government Spatial Services, 2020 records a total of 26 historical workings within the area covered by EL8980 (Figure 23). All are small in size and comprise a mix of underground shafts and drives, small open pits and gougings. Primary commodities sought have been gold  $\pm$  copper  $\pm$  manganese.

Previous explorers have commented on aspects of these occurrences, although we note that most early exploration programs were focussed on the alluvial and deep lead gold workings.

Sovereign Gold Company Limited determined that many of the hard rock deposits have characteristics diagnostic of reduced Intrusive Related Gold Systems (IRGS), analogous to the Tintina Gold Province of Alaska and Yukon (Leu, 2010):

- Located inboard of a convergent plate boundary
- Intrusions emplaced after the principal orogen-forming events into the accretionary deformed trench complex metasedimentary rocks and overlying volcanics
- Late Permian to Early Triassic tectonism in a tensional tectonic setting, with several related thermal events.

Figure 24 shows a zonation model of reduced Intrusion-Related Gold Systems with Sovereign Gold's interpreted positions of the various prospects within EL8980 and other significant deposits. The diagram was taken from Leu & Robertson, 2011, which was a modification from Lang, et al., 2000.

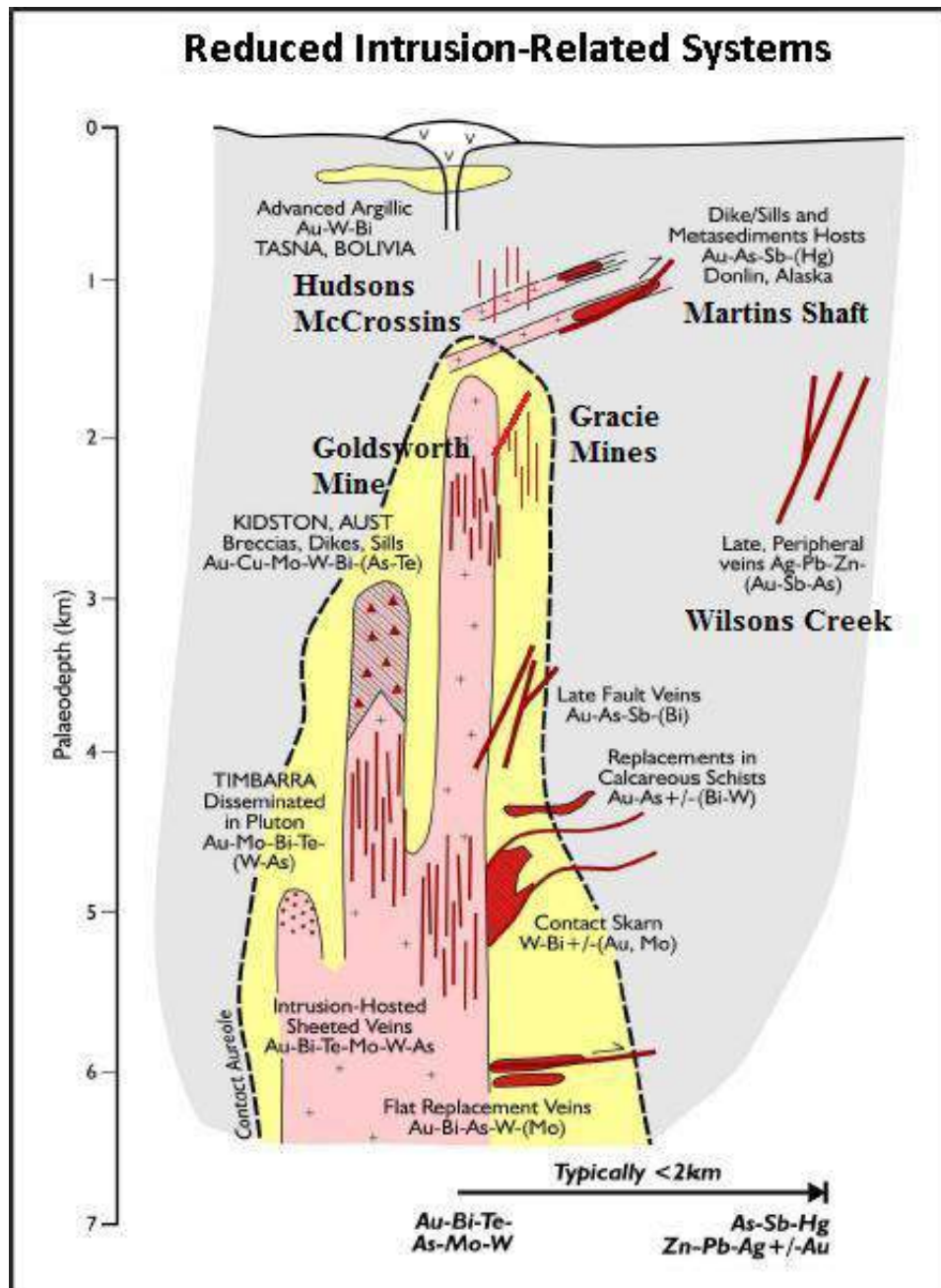


Figure 24: Reduced Intrusion-Related Gold System model

Source: Leu & Robertson, 2011

## 8.5. PROSPECTS

### ROCKY RIVER - URALLA ALLUVIALS

Alluvial and deep lead deposits were worked for gold in the 1880s (Harrington, et al., 1972) and apparently almost 4,000 miners were present in the period 1856 to 1895. In 1856, output was reportedly 40,000 ounces gold, although this rapidly reduced in subsequent years (Gentle, 1982). The first deep lead was discovered in 1856 at what is now known as Mt Jones and led to further discoveries at Mt Welsh (Cozens, 1985). Numerous shafts were sunk through the basalt into the leads with adits driven on the gravels from the hillsides (Gentle, 1982). Recent alluvial deposits comprise variable size gravels, cobbles and boulders, whereas deep leads comprise sands and gravels at the base of overlying Tertiary basalts. Most occur in the Rocky River with lesser amounts in the Wilson's Creek and Cabbage Tree Gully (Project Geoscience Pty Ltd, 1988). In 1900 a dredge was set up, with returns reported in 1905 as "4 oz 3 dwt 19 gr Au/ton sand" (~130 g/t Au) and "6 dwt 20 gr Ag/ton" (~12 g/t Ag) (Cozens, 1985). However, Tucker, 1996, reported that dredging of the Gwydir River during the periods 1900-1902, 1910-1914 and 1929-1933 *"appears to have been financially unsuccessful"*.

Project Geoscience Pty Ltd, 1988, noted that remobilised alluvials have been mined at Mt Welsh and Post Office Gully. They also quoted results from Broken Hill Metals NL, whose testing "indicated 100,000 to 200,000 tonne of eluvial material with a significant number of drill samples returning 0.1-0.6g gold per cubic metre". Leu, 2006, commented that the gold sourced from the Uralla Goldfield, including exhumed Tertiary deep leads, has undergone dilution with barren sediments in depositional sites in the vicinity of the Rocky River/ Gwydir River junction resulting in grades that were not likely to be economic to recover (pre-2006).

The source of the alluvial/ eluvial/ deep lead gold is enigmatic, with explorers such as Tucker, 1996, expressing the view that "the lode-type deposits are considered to be too small to be the source of the alluvial gold".

### HARD-ROCK MINES

By 1895, several quartz reefs had been discovered and were being worked (Cozens, 1985). Some workers considered that hard-rock mineralisation in the area "is very small and consists chiefly of narrow quartz lodes (carrying pyrite ± stibnite ± arsenopyrite and gold)" (Tucker, 1996).

Collectively, the data indicates the existence of a substantial intrusion-related gold system (Leu & Murphy, 2008). This interpretation allowed Sovereign Gold to greatly expand its exploration focus and develop a genetic model for the various local mineralisation styles observed within EL8980 (Figure 24).

Exploration by Sovereign Gold showed that most of the major hard rock gold mines plot on a magnetic linear feature several kilometres long (Figure 25) and that many gold occurrences are linked to highly fractionated minor plutons and quartz-exsolved felsic dykes.

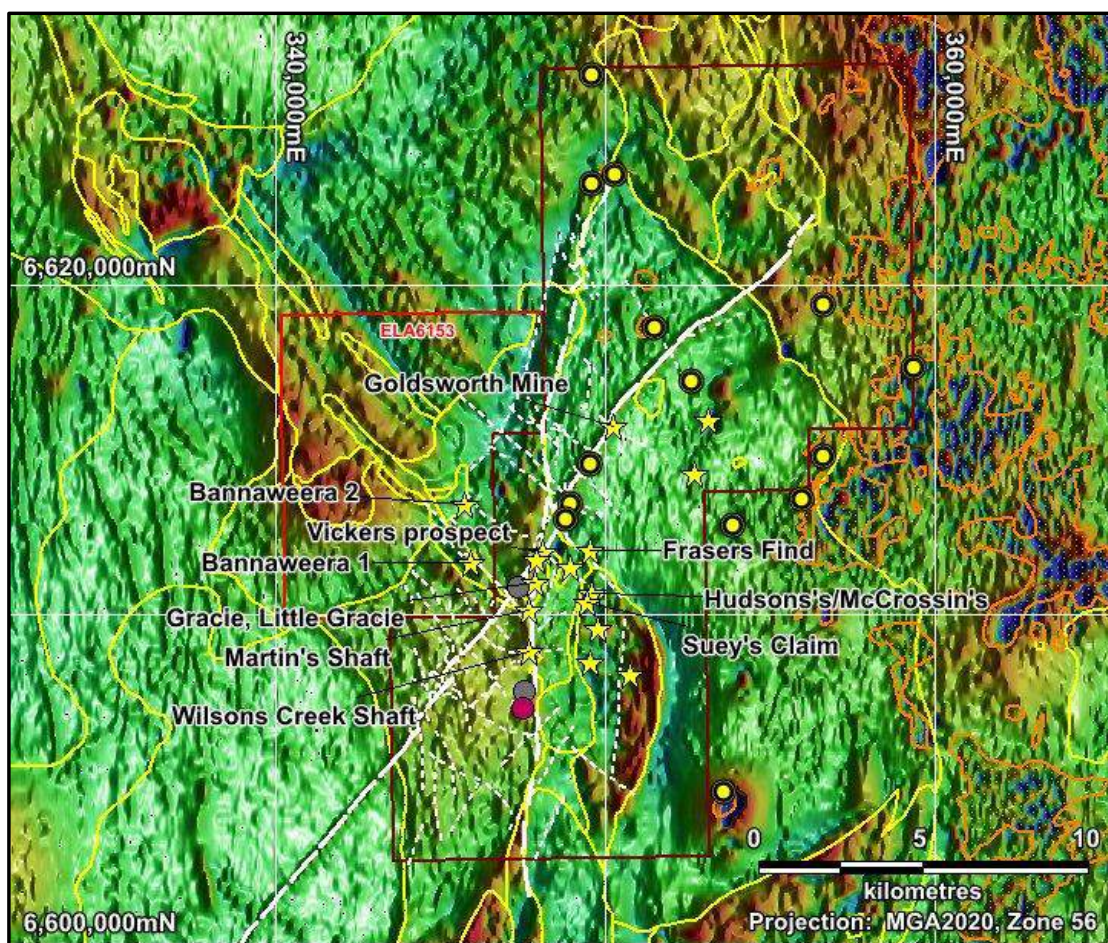


Figure 25: Regional Magnetics with Linear Structures & Mineral Occurrences in EL8980

EL9087 in red outline; Outline of major geological units in yellow; Tertiary basalt in orange stipple

#### GOLDSWORTH MINE

The GSNSW mineral occurrences database describes the Goldsworth Mine as shafts and underground drives over a 200m length trending NE. "Discovered by N Crapp in 1895, the workings comprised two drive levels, at 56m and 89m depths. Total length of drives approximately 200m. Width of workings approximately 30m. Two underlay shafts developed east of the main shaft. Production by the Goldsworth Syndicate (1911), the Goldsworth Gold Mines Ltd (1911-1914), Robert Evan (1911-1913), F Krippner (1911-1913), W J Roberts (1911-1915), Wheeler and party (1918)". The mineralisation was described in the GSNSW mineral occurrences database as "crustified thin veinlets in highly altered granite with sericitized feldspars and ferromagnesians. Sulphides introduced into alteration zone flanking veins. Pyrite and minor stibnite and arsenopyrite in veins and also between veins. Some crustified veins are vuggy. Thicker veins enclose fragments of altered granite. Veins either of magmatic hydrothermal origin or derived from meta-hydrothermal fluids. Quartz vein in monzogranite".

The main shaft in this mine reached a depth of 90m with levels cut at 60m and 90m depth. The lode averaged 1.3m width and was driven on for 152m (Gentle, 1982). Recorded production was 5.98kg gold (~193 ounces gold) with minor amounts of stibnite (antimony sulphide mineral) and arsenopyrite (arsenic sulphide mineral) (Jordt, 1988). The potential of this prospect was recognised by Tucker, 1996a, who considered that the prospect had not been drill tested and warranted further exploration.

The Goldsworth Mine and Vickers Prospect both occur on the regional magnetic linear known as the 'Old Bonanza Dyke' (Figure 25). It is potentially a major regional conduit for late-stage gold-bearing fluids and potential exists for other gold occurrences similar to those previously discovered. Significantly, the mineralised material in waste dumps of the Goldsworth Mine consists of close spaced (10-40mm), narrow (up to 10-20mm wide), ferruginous/sulphidic quartz veins in granite with disseminated mineralisation between veins. Magmatically emplaced late stage gold within the carapace of a pluton is a classic, diagnostic IRGS characteristic.

#### VICKERS PROSPECT

Vickers Prospect is located along a major NE-trending structure, termed the 'Bonanza Dyke', 1.85km north-east of the gold mineralisation at Martins Shaft. Seven shallow reverse circulation drillholes were completed by Sovereign Gold at Vickers Prospect with the depth of most holes ranging from 51-69 metres. All holes intersected widespread phyllic alteration and some anomalous gold. Mineralisation is associated with the long conduit of the main magnetic linear. Anomalous gold was encountered in some intervals of the other holes associated with silica flooding and variable sulphides (pyrite dominant, lesser arsenopyrite) and alteration veining.

#### HUDSON'S PROSPECT

The Hudson's Prospect is located along the Bonanza Dyke to the south of Vickers Prospect.

The Hudson's workings are described in the GSNSW mineral occurrences database as "three shafts over a length of 70m, in Sandon Beds. Northernmost shaft has been bulldozed in. Line of Lode offset to the west from the Gracie and Little Gracie workings approximately 400m north. Shafts sunk on hornfelsed creamy white, moderately fractured quartzites that are slightly Fe stained and gossanous on larger partings after sulphides" (MinView, 2017).



Photo 3: Mineralisation at Hudson's prospect

#### GRACIE / LITTLE GRACIE

The Gracie mine was referred to between the years 1897 to 1913, although Gentle, 1982, observed “no evidence of extensive underground workings”. The deposit appears to be a “more traditional quartz vein type in altered sediments with workings extending over 100m” (Gentle, 1982).

The GSNSW mineral occurrences database (MinView, 2017) describes the Gracie / Little Gracie workings as “a series of shafts over 200m along N-S direction. Worked to at least 20m along vein striking 023° dipping 84° W. Another shaft sunk on vein striking 010°, dipping subvertically E. Another shaft sunk on vein striking 013°, dipping 81° E. The two mines seem to occur at the junction of a northerly trending granite dyke, shear zone and possible cross fault trending 060°. There is euhedral pyrite mineralization in medium to coarse-grained quartzites in the mine area”.



Photo 4: Gracie Prospect workings

#### MARTIN'S SHAFT

Gentle, 1982, reported that the mine's namesake developed a "low grade auriferous dyke-like formation" with the "load [sic] 25 feet in width at the 50 foot level". The historical workings consisted of a shaft to 30m depth sunk (now filled in) on sheeted quartz-sulphide-carbonate veins within a granitic dyke with a siliceous margin.

The mineralised vein system strikes 070° and dips steeply to the south. The individual veins range up to 0.6m width, but average around 0.15m.

It has been interpreted that the dyke acted as a brittle host rock that enabled intrusion of magmatic gold-bearing fluids. Associated sulphide mineralisation consists of pyrite, arsenopyrite and stibnite (Leu, et al., 2012).

#### WILSON'S CREEK

The mineralisation at Wilson's Creek is associated with a shear zone breccia. A series of pits/shallow shafts on this structure establishes that it is at least 660 metres long. The main mineralised shear zone extends

through metasediments of the Sandon Beds and also impacts some late-stage porphyritic quartz microdiorite dykes.

#### FRASER'S FIND

These workings extended to 20m depth over a presumed length of ~100m, following a 0.6-0.9m wide quartz vein containing a 23-37cm wide auriferous arsenic-rich lode. Only 6t ore was mined with grades ranging from 27g/t Au to 222g/t Au (Jordt, 1988). Apparently, the refractory nature of the mineralisation hampered recovery of the gold as evidenced by a sample taken by the Department of Mineral Resources that assayed 81g/t gold, 392g/t silver, 1% lead and 19% arsenic (Jordt, 1988). Later investigation by Sovereign Gold concluded that the mineralised structure extends for more than 250m after the company located the 'lost' Fraser's Find shaft. The mineralisation consists of a central high-grade gold-bearing vein within altered Uralla Granodiorite that hosts further, juxtaposed disseminated mineralisation (Leu, et al., 2012).

#### DIGGERS SHAFT

Sovereign Gold located a previously unrecorded mine shaft 1km southwest from Fraser's Find. Samples of sheeted veins collected from waste piles beside Diggers Shaft assayed up to 2.39ppm gold, 3.76oz/t (117ppm) silver and 0.85% lead (Leu, et al., 2012). The minerals pyrite, arsenopyrite, chalcopyrite and tourmaline were noted at the waste pile surrounding the shaft.

#### MCCROSSIN'S WORKINGS

The McCrossin's workings (sometimes referred to as the Hudson's-McCrossin's workings) were developed on narrow (most <15mm wide) sheeted veins within a disseminated mineralised system. Several shafts and pits occur over a strike length of 600m (Jordt, 1988). Investigations and sampling by Sovereign Gold indicated that the controlling structure (including Suey's Claim) has a strike length of 900 metres and a mineralised width of at least from 25–65m in places. They also reported the discovery of late stage, felsic dykes with disseminated sulphide, essentially identical to that collected from waste dumps at Martin's Shaft (Leu, 2010).

#### SUEY'S CLAIM

Suey's Claim consists of an up to 1 metre wide felsite dyke that contained grades up to 2.1 oz/ton gold (65 g/t Au). It also contained bunches of high grade stibnite up to 1.5 metres high x 0.38 metres wide x 3 metres long. These workings are possibly part of a significant mineralised structure and the considerable strike length provides a large target for the discovery of bulk open pittable sheeted vein gold deposits.

## 8.6. SURFACE GEOCHEMISTRY

### REGIONAL SAMPLING

Preskome Pty Ltd completed a panned concentrate survey in 1988 and returned evidence of heavy minerals at Rocky River (Jordt, 1988). The company also investigated the alluvial gold potential using hand augering followed by panning of the basal material to determine the qualitative nature of the mineralisation. The company reported fine gold in almost all samples with “two to seven counts per pan” (Project Geoscience Pty Ltd, 1988).

Stream sediment sampling carried out by Cyprus Gold in 1996 highlighted the area between Wilson's Creek, Martin's Shaft and Gracie Mine but the company appeared to dismiss the results as “the product of known vein-type mineralisation in the area” and no follow up was reported (Tucker, 1996).

Paradigm Gold completed stream sediment, soil and rock chip sampling surveys and of note is the occurrence of gold anomalous samples just east of Jackson's Gully on the boundary of EL8980. Here, rock chip silcrete samples returned 0.12ppm gold and 0.25ppm gold (Rowley, et al., 2005).

### URALLA PROSPECTS

Several geochemical programs have been conducted over individual prospects surrounding historical workings within EL8980. Details of the results of the programs are discussed in the following sections. Of note, many rock chip samples have returned high grade gold values, with associated high arsenic values, and these are tabulated in Table 12.

SAMPLE ID	East MGA94	North MGA94	Prospect	Au ppm	Ag ppm	As ppm	Company
R43	348919	6611437	Diggers	2.60	114.0	10,000	Lode
S216	348919	6611433	Diggers	2.39	114.0	31,300	Sovereign Gold
S217	348919	6611433	Diggers	2.00	110.0	24,700	Sovereign Gold
S218	348919	6611433	Diggers	2.06	117.0	26,600	Sovereign Gold
S219	348919	6611433	Diggers	1.42	23.8	31,500	Sovereign Gold
S221	348919	6611433	Diggers	1.67	4.7	33,400	Sovereign Gold
FF5A	349554	6612104	Fraser's	21.10	1110.0	172,000	Sovereign Gold
FF5B	349554	6612104	Fraser's	76.90	287.0	78,500	Sovereign Gold
FF5C	349554	6612104	Fraser's	18.10	214.0	107,000	Sovereign Gold
FF5D	349554	6612104	Fraser's	20.40	265.0	168,500	Sovereign Gold
FF5E	349554	6612104	Fraser's	17.85	340.0	122,500	Sovereign Gold
FF5F	349554	6612104	Fraser's	24.90	333.0	129,500	Sovereign Gold
FS3C	349594	6612128	Fraser's	4.00	2.4	45,700	Sovereign Gold
FS3D	349594	6612128	Fraser's	3.43	5.9	25,300	Sovereign Gold
FS9B	349491	6612071	Fraser's	2.11	12.2	36,900	Sovereign Gold
R23	349669	6612160	Fraser's	36.30	144.0	105,000	Lode

SAMPLE ID	East MGA94	North MGA94	Prospect	Au ppm	Ag ppm	As ppm	Company
R24	349593	6612127	Fraser's	1.25	1.6	8,950	Lode
S581	349710	6612179	Fraser's	75.20	1790.0	150,000	Sovereign Gold
R28	347587	6611097	Gracie	8.03	1.4	9,470	Lode
R4	347587	6611098	Gracie	5.29	0.5	6,880	Lode
R52	347685	6611110	Gracie	6.38	0.3	7,020	Lode
R54	347656	6611108	Gracie	4.12	0.6	6,250	Lode
S580	347879	6610937	Gracie	1.03	4.0	4,950	Sovereign Gold
H12	347747	6611595	Hudson's	1.12	19.0	3,150	Sovereign Gold
H16	347935	6611752	Hudson's	3.78	79.3	43,100	Sovereign Gold
R35	347925	6611725	Hudson's	2.84	22.0	18,300	Lode
R36	347777	6611452	Hudson's	2.73	0.3	5,600	Lode
R37	347777	6611455	Hudson's	2.03	1.0	5,740	Lode
R39	347773	6611459	Hudson's	5.06	2.5	10,550	Lode
R40	347771	6611465	Hudson's	6.31	1.5	4,960	Lode
R55	347771	6611416	Hudson's	4.29	0.5	6,960	Lode
R57	347810	6611441	Hudson's	1.34	0.3	2,310	Lode
S26A	347927	6611728	Hudson's	4.74	41.4	45,700	Sovereign Gold
S26B	347927	6611728	Hudson's	3.30	44.1	51,600	Sovereign Gold
S26C	347927	6611728	Hudson's	1.16	7.1	8,680	Sovereign Gold
S26D	347927	6611728	Hudson's	2.92	31.8	24,400	Sovereign Gold
S2965296	347775	6611462	Hudson's	7.58	3.1	16,200	Sovereign Gold
S344	347921	6611712	Hudson's	1.14	3.1	3,300	Sovereign Gold
S345	347923	6611719	Hudson's	1.11	4.9	3,910	Sovereign Gold
S540X8	347837	6611734	Hudson's	2.90	12.7	8,900	Sovereign Gold
S572	351702	6613861	Jackson's	1.47	0.1	1,130	Sovereign Gold
S574	351686	6613840	Jackson's	1.04	0.0	641	Sovereign Gold
MM1	351590	6608191	Melvaine's	2.12	0.8	1,185	Sovereign Gold
S414	351590	6608191	Melvaine's	13.75	5.2	2,580	Sovereign Gold
S415	351590	6608191	Melvaine's	1.30	1.0	452	Sovereign Gold
S587	351590	6608191	Melvaine's	3.69	2.0	473	Sovereign Gold
S591	351590	6608191	Melvaine's	1.10	1.6	87	Sovereign Gold

Table 12: Significant rock chip samples from area of EL8980

## GOLDSWORTH MINE

Preskome carried out detailed rock chip sampling at the Goldsworth Mine and outlined several gold anomalous trends subparallel to the main line of workings (Verbruggen, 1989).

Sovereign Gold (Leu, 2010) noted that both the Goldsworth Mine and Vickers Prospect occur along a distinctive magnetic linear (Figure 25) that is potentially a major regional conduit for late-stage gold-

bearing fluids. Sampling of the waste dumps of the Goldsworth Mine indicated close spaced (10-40mm), narrow (up to 10-20mm wide), ferruginous/sulphidic quartz veins in granite with disseminated mineralisation between veins. Selective rock chip sampling (9 samples) of these sheeted veins returned high grade gold and silver values, up to 6.78ppm Au and 5.9ppm Ag (coincident sample) and 25.5ppm silver, 1.1% zinc and 0.89% lead (coincident sample from "Goldsworth Mine Area", but sample location coordinates were not recorded) (Leu, 2010).

In 2015, Sovereign Gold conducted a grid soil sampling program over the Goldsworth Mine zone. Anomalous gold values appear to parallel the trend of the 'Bonanza Dyke' magnetic anomaly, with a sinistral offset of around 150m across a NW-trending structure (Figure 26).

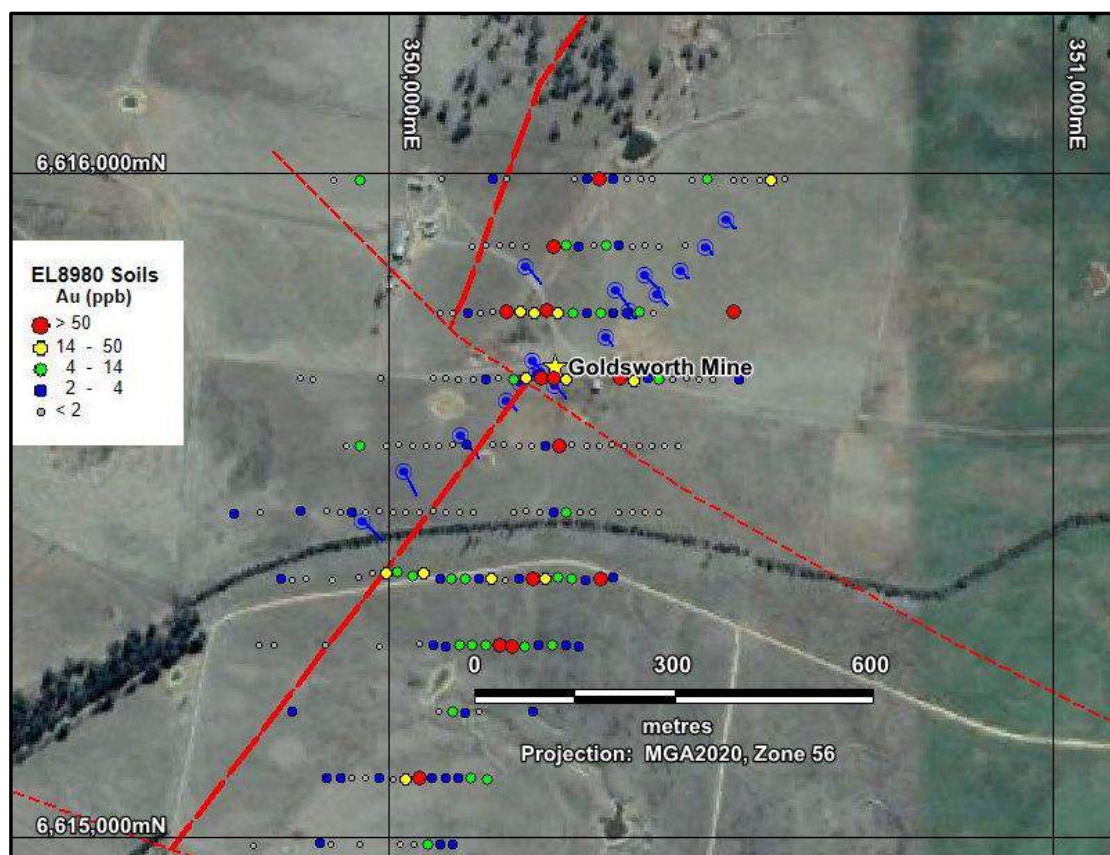


Figure 26: Goldsworth Mine, drillholes, soil sampling & major structures

#### VICKERS PROSPECT

Rock chip sampling by Sovereign Gold returned anomalous values including 4.74ppm Au & 41.4ppmAg in one sample and 3.3ppm Au & 44.1ppm Ag in another sample, both in sheeted ferruginous quartz veins (Leu, 2010). Of the ten samples collected, five returned gold values >1ppm Au and silver values >5ppm Ag. However, these results are likely to be from selective mineralised samples and are not regarded as being representative of the grade of the deposit in general.

## HUDSON'S PROSPECT

Close-spaced (20m x 10m) soil sampling by Sovereign Gold during 2012 identified scattered weakly anomalous gold values (>50ppb Au) (Figure 28) that were not followed up. Rock chip sampling by Sovereign Gold returned gold assays up to 7.58ppm Au and silver assays up to 79ppm Ag. Details of the sampling was not reported, although it is likely that they were selective samples of visible mineralisation / veining.

Lode Resources have received assay results for 15 selective rock chip samples collected during 2020-21 from outcrops over a 350m strike extent closely associated with the Bonanza Dyke structure.

Nine of these samples returned assays > 1ppm Au (up to 6.38ppm Au), with associated elevated arsenic values (up to 1.83% As) and occasional elevated lead and zinc values (Figure 27). The lithologies are described as moderate to highly altered (silica / sericite / potassic) siltstone with a moderate amount of quartz veining and disseminated sulphides (trace to 3% arsenopyrite + pyrite). The widespread and pervasive alteration indicates that the mineralisation is not restricted to thin quartz veins, as had previously been interpreted.

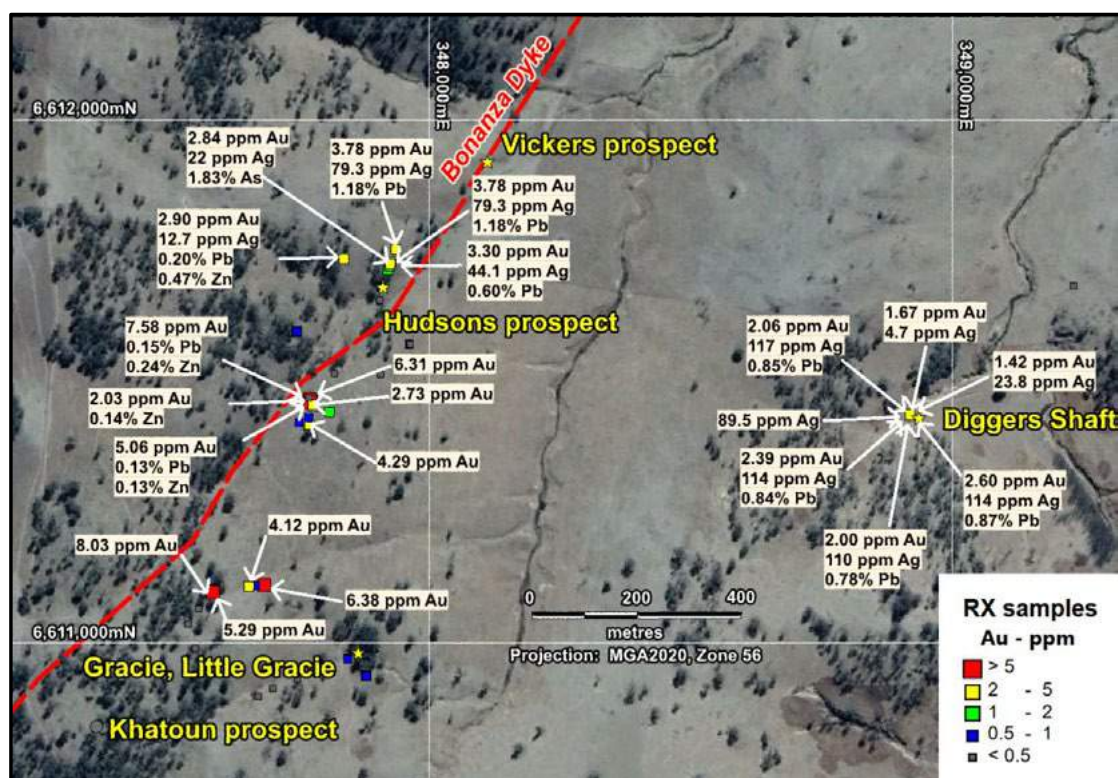


Figure 27: Hudson's, Gracie, Diggers Shaft prospects, rock chip sampling

Includes samples collected by Sovereign Gold and Lode Resources

## GRACIE AND LITTLE GRACIE MINES

A gold-bearing sheeted vein system was discovered by Sovereign Gold (Leu, 2010) to the north-west of the main Gracie line of lode. Twenty-one rock chip sample results were reported, with better values including 3.08ppm Au & 6.5ppm Ag and 1.93ppm Au & 8.5ppm Ag, respectively in gossanous, quartz-sericite altered veins. The better results came from selected samples from waste dumps and outcropping gossanous sheeted veins and are not necessarily representative of the deposits in general.

Rock chip sampling undertaken by Lode during 2020-21 consisted of 19 samples collected from outcrops of quartz-iron oxide veined metasediments related to interpreted fault structures to the west of the Gracie workings. Significant grades included 8.03ppm Au, 6.38ppm Au and 4.12ppm Au (Figure 27). High gold grades are associated with elevated arsenic values (>1000ppm As).

## MARTIN'S SHAFT

Sovereign Gold collected 16 rock chip samples from the Martin's Shaft prospect during 2010. Sample locations were not presented in the report, other than stating that they were "samples of lithologies around collar of shaft" (Leu, 2010). In this regard, they can be regarded as selective samples of mineralised material and not necessarily representative of the overall mineralisation. It is not surprising, therefore, that the assays were quite high, up to 8.21ppm Au (only 7 samples assayed less than 1ppm Au). Most of them also contained significant arsenic grades, up to 3.5% As.

Lode Resources collected three rock chip samples from locations up to 540m south of Martin's Shaft. There were no significant assay results.

## WILSON'S CREEK SHAFT

Sovereign Gold reported high silver grades in association with gold and base metals at Wilson's Creek Shaft (Leu, 2010). The company considered that brecciation and quartz flooding of hornfels indicates the mineralised structure is part of a fault/shear zone, but they also observed large areas of sheeted veins. Some of the better assays returned include 3.02ppm gold, 96ppm silver, 0.35% lead; 0.14ppm gold, 165ppm silver, 1.1% lead; 0.41ppm gold, 138ppm silver, 0.18% zinc, 0.65% lead. All samples are quartz veins with disseminated sulphides. These results came from selective rock samples collected from mine dumps and are not necessarily representative of the deposit in general.

The high Ag, Pb, Zn and Cu values (relative to other sheeted vein deposits in the region) were interpreted to indicate that the Wilson's Creek deposit was deposited distal to the causative pluton (Figure 9) (Leu, 2010).

## FRASER'S FIND

Fraser's Find shaft is located around 2.8km northeast of Martin's Shaft. Sovereign Gold's rock chip sampling program in 2012 returned very high-grade gold and silver values (Leu, et al., 2012) from selective samples of lode material comprising quartz-arsenopyrite-pyrite-galena. Values reported by Sovereign Gold included 76.9ppm Au, 287ppm Ag, 1.78% Pb; 21.1ppm Au, 1,110ppm Ag, 5.5% Pb, 0.24% Bi; and 24.9ppm

Au, 333ppm Ag, 2.3% Pb from selective high-grade quartz-sulphide samples. These results are not regarded as being necessarily representative of the grade of the deposit in general.

Sugec Mining Co Pty Ltd ('Sugec', in joint venture with Sovereign Gold) conducted a close-spaced soil survey covering an area including Vickers Prospect, Fraser's Find, Suey's Claim and Martin's Shaft and determined the Fraser's Find area to be "a priority drill target". Sovereign Gold highlighted a number of 'spot highs' for gold in close association with Fraser's Find, McCrossin's and several other areas (Leu, et al., 2015). However, Geos Mining's review of the data does not show any significant trends or zones of gold anomalism at Fraser's Find (Figure 28).

Consistently high metal values were returned for soil samples from the Hudson's Prospect. We suspect that these results may be due to a batch effect reporting higher values in comparison to other sampling. However, check sampling is recommended.

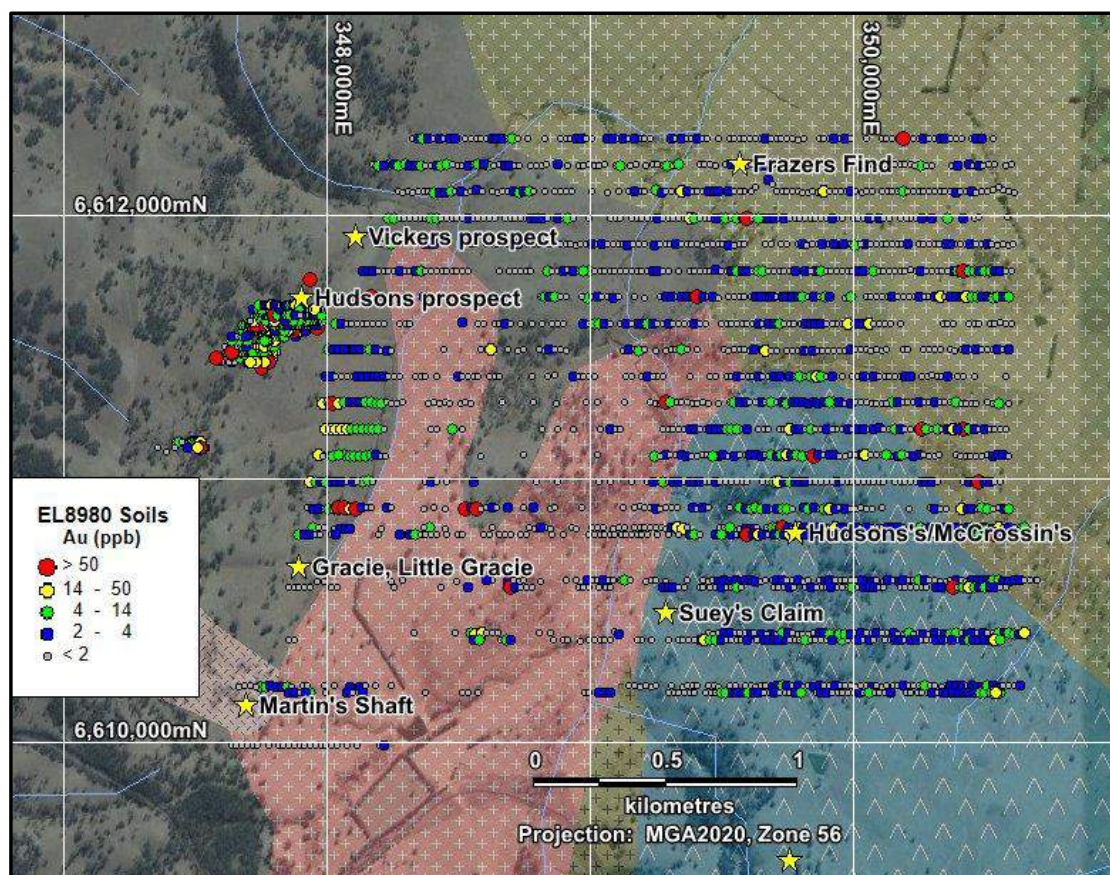


Figure 28: Sovereign Gold soil results – Fraser's Find to Martin's Shaft area

#### McCROSSIN'S – SUEY'S CLAIM STRUCTURE

Sovereign Gold collected rock samples from waste dumps at these old workings, returning anomalous gold and silver values up to 0.66ppm Au & 10.95ppm Ag (McCrossin's) and 0.81ppm Au & 15.2ppm Ag (Suey's Claim) (Leu, 2010). The better results came from selected samples of narrow mineralised veins and brecciated shear zones and are not necessarily representative of the deposits in general.

#### REEDY CREEK

A close-spaced soil survey was conducted by Sovereign Gold to replicate a soil survey carried out during the 1970s that returned anomalous gold values. It was hoped that these results could be used as a vector to the hard rock source of the alluvial gold recovered historically from Reedy Creek (Robertson, 2012). Sovereign Gold used a portable XRF analyser and recorded very high arsenic values that were partly reproduced following assay. However, only trace gold values were returned.

### 8.7. GEOPHYSICS

#### AIRBORNE MAGNETICS AND RADIOMETRICS

The GSNSW collected airborne magnetic and radiometric data over the Peel South project area in the Manilla-Armidale region. The survey was flown by Tesla Geophysics during 2001 using fixed-wing aircraft along 250m spaced E-W lines at a nominal 60m ground clearance. The objective of the survey was to facilitate the reinterpretation of geological units and structures bordering the Peel Fault (Brown, 2003). Processing of the data provided an excellent tool for bedrock geological interpretation (Figure 29), with the magnetics data distinguishing and differentiating some surface geological units. Many major fault and fractures were identified from the magnetic data (Brown, 2003).

Sovereign Gold commissioned a fixed wing magnetic and radiometric survey with 60m sensor height and 50m spaced lines covering 214km<sup>2</sup>, which included most of the area covered by EL8980 (Figure 30) (Leu & Robertson, 2011). Processed aeromagnetic data was presented as images in the Sovereign Gold Annual Report for EL7491 (Figure 30). Efforts should be made to obtain the entire data package, either from GSNSW, Thomson Aviation (the contractor) or from previous officers of Sovereign Gold who might still hold the data.

Interpretation of the data by Sovereign Gold indicated that the known mineral occurrences are coincident with magnetic cross-cutting linear structures. They considered that Martin's Shaft, Little Gracie, Gracie, Wilson's Creek and the Goldsworth Mine are all located on major magnetic linears and that significant drill targets occur where major magnetic lineaments intersect (Figure 31) (Leu, et al., 2012).

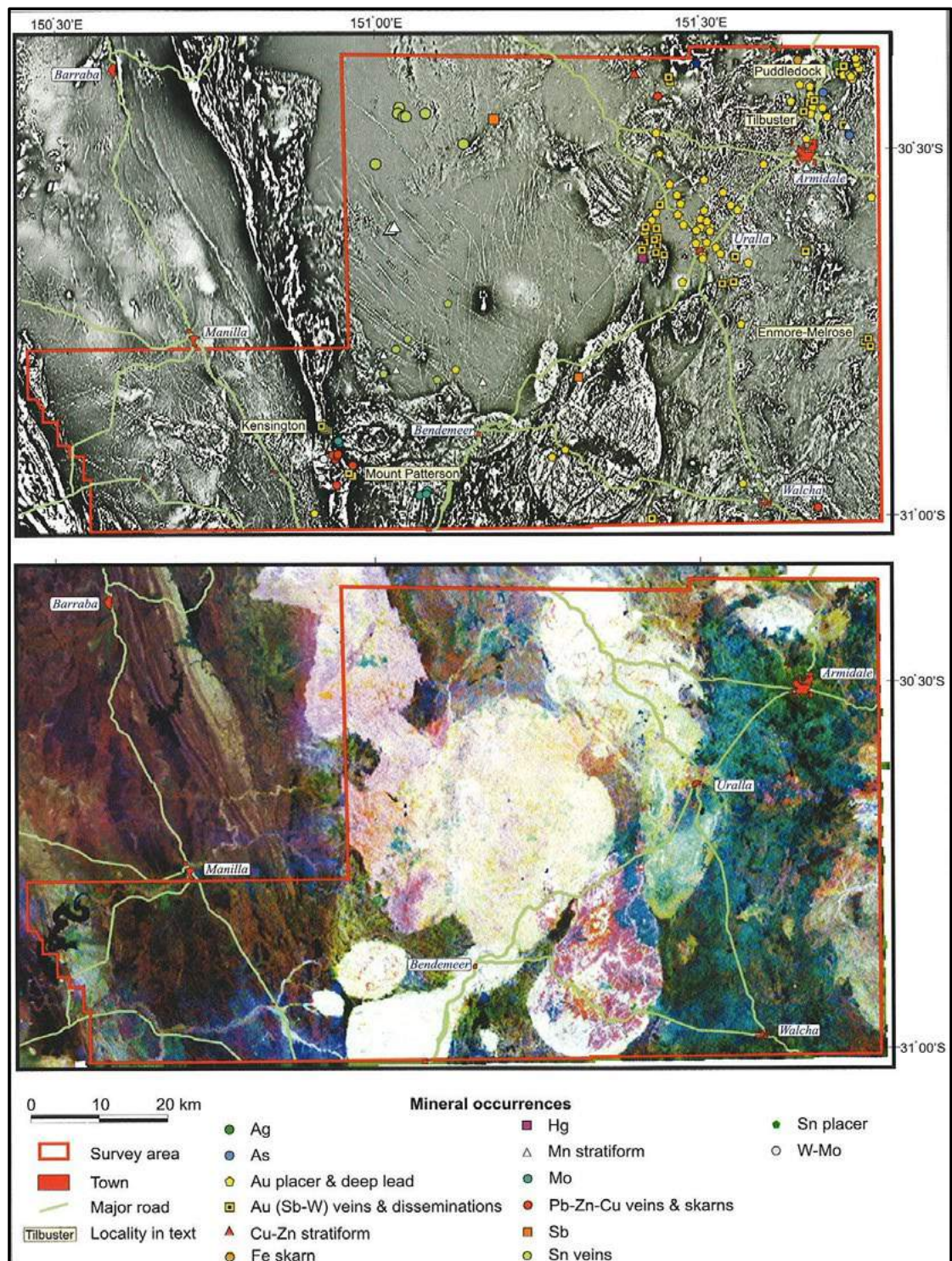


Figure 29: Peel South airborne geophysics survey

Source: Brown, 2003

Top – First Vertical Derivative of Total Magnetic Intensity; Bottom – RGB radiometrics image

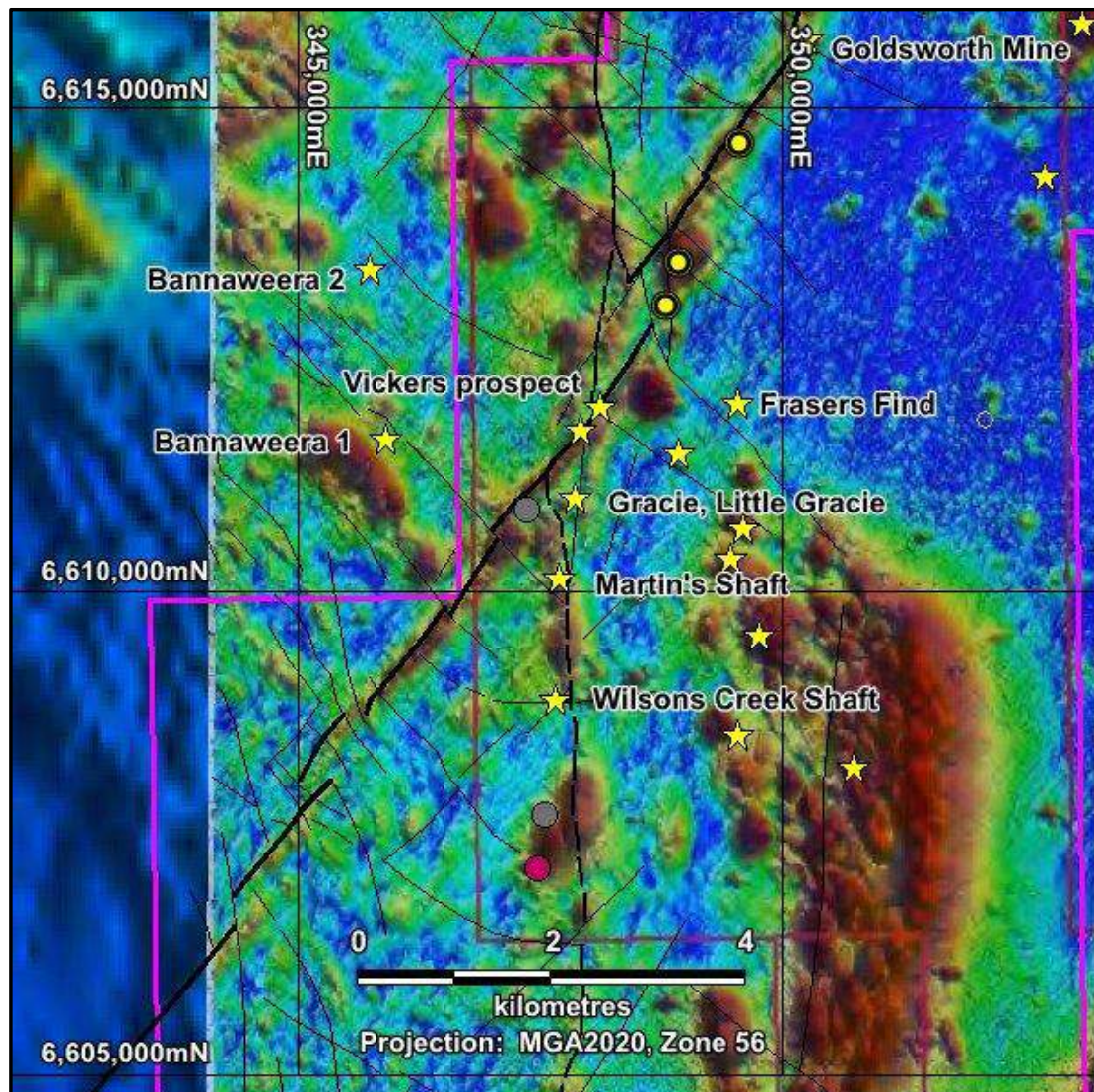


Figure 30: Sovereign Gold's 2011 aeromagnetic survey area over EL8980

Leu, et al., 2012 noted that coincident magnetic and radiometric anomalies define a small sub-circular structure up to 500 metres in diameter associated with radial structures containing the Fraser's Find and Diggers Shaft gold mineralisation (Figure 31).

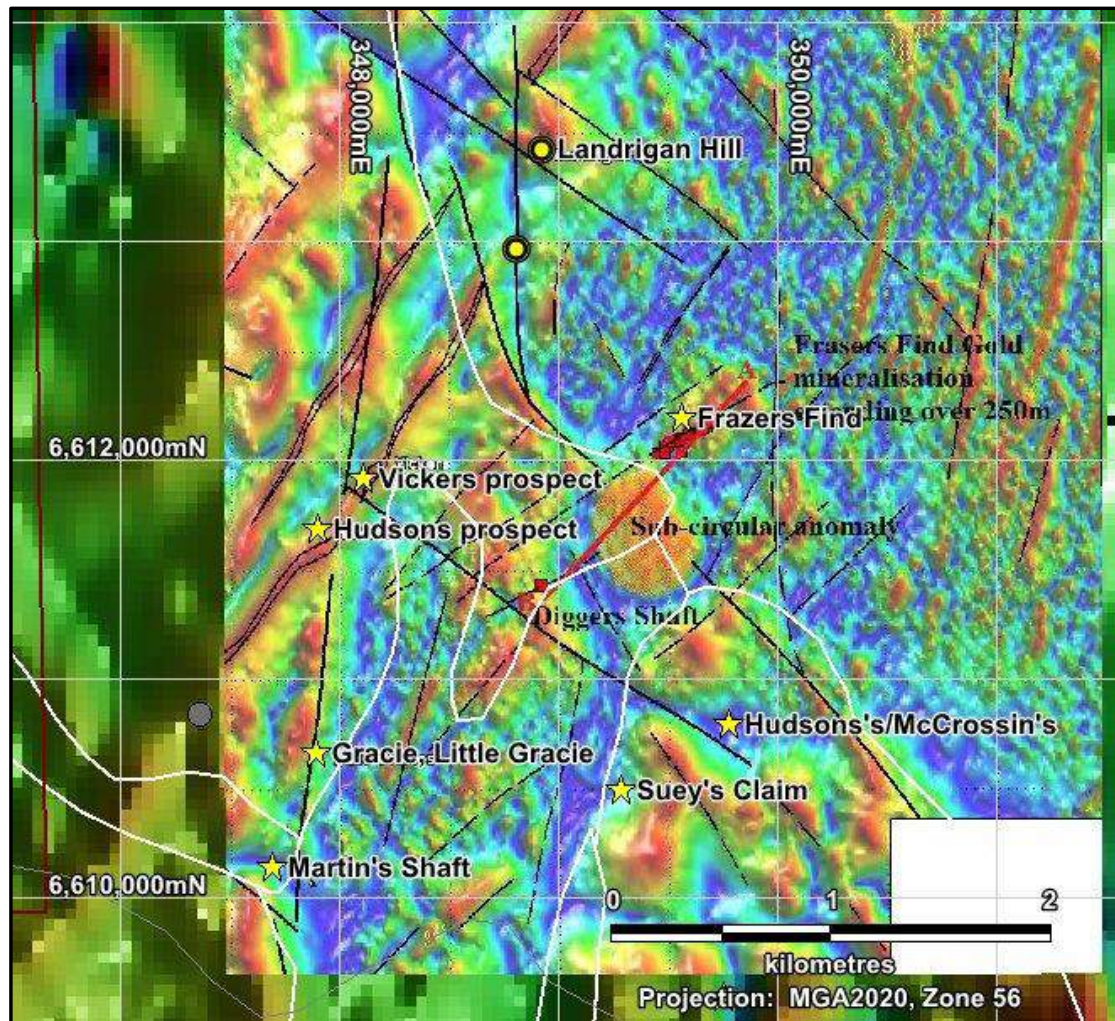


Figure 31: Magnetic trends interpreted by Sovereign Gold

Source: Map created by Sovereign Gold (Leu, et al., 2012), with outlines of geological units in white

#### INDUCED POLARISATION SURVEYS

Lode Resources commissioned Fender Geophysics to undertake Induced Polarisation (IP) surveys over four project areas during 2020 (Clar, 2020). The surveys utilised a dipole-dipole array with dipole spacings of either 50m or 100m (Table 13, Figure 32). Grid lines over the McCrossin's and Hudson's prospects were oriented E-W across the regional strike. Grid lines over the Martin's Shaft prospect were oriented N-S across the E-W strike of the felsic dyke that is believed to be associated with the mineralisation there. The single line of readings at Fraser's Find was oriented NW-SE across the general trend of the historical workings.

Processing of the IP data was undertaken by Fender Geophysics (2D pseudosections) and by Newexco Exploration (2D and 3D inversion models) (Muthupandian, 2021).

Survey Specifications	
Survey Type	Induced Polarisation
Array Type	Dipole-dipole
Receiver Dipole Length	50 and 100m
Transmitter Dipole Length	50 and 100m
Line Length	Various
Line Separation	Various
Number of Lines	15
Total Line km	12.65km
Line Orientation	Various
Domain and Cycle	Time domain: 2 seconds / 0.125Hz

Table 13: Uralla IP survey specifications

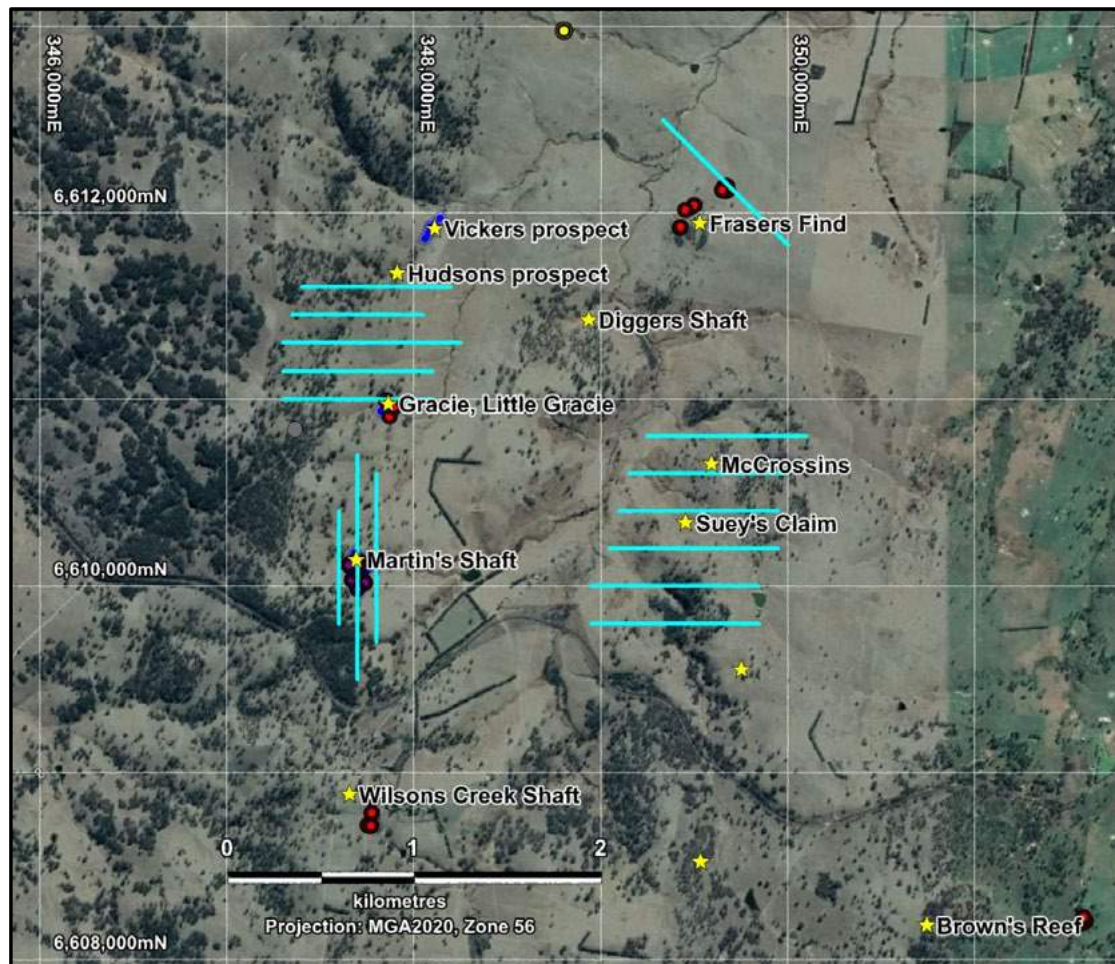


Figure 32: Uralla IP survey lines, prospects &amp; drilling

The following interpretations were made from the IP results (Mayes, 2021):

- General Observations:
  - Good correlation between the historical gold workings and the IP chargeability anomalies
  - Good correlation between the As values in ??soil sampling and the IP chargeability anomalies
- McCrossin's (Figure 33):
  - good correlation between elevated potassium in the airborne radiometrics survey and IP chargeability anomalies
  - chargeability increasing to the south and remains open to the south
- Martin's Shaft (Figure 34):
  - Strong (and unexpected) IP chargeability anomaly at the southern end of the central Martin;s Shaft survey line
  - Modelled anomalies to the south and north of the historical drilling
- Hudson's (Figure 35):
  - Sections show a weak IP anomaly coincident with the Bonanza Dyke
  - A much stronger chargeability anomaly is coincident with historical workings on the Little Gracie trend, at the southern end of the survey area
- Fraser's Find (Figure 36):
  - Shows a moderately strong anomaly to the north west of the known workings that remains unexplained. This coincides with some stock yards so potential cultural effects need to be considered
  - a further anomaly at the very SE end of the line has not been fully resolved

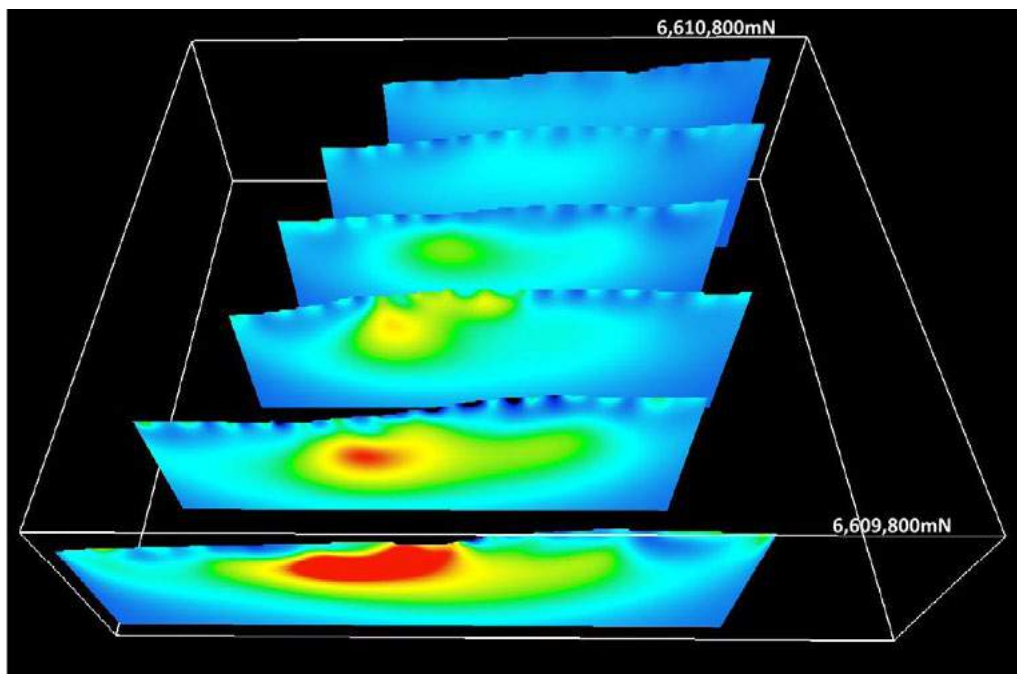


Figure 33: McCrossin's prospect stacked IP pseudosections looking north

Source: Muthupandian, 2021

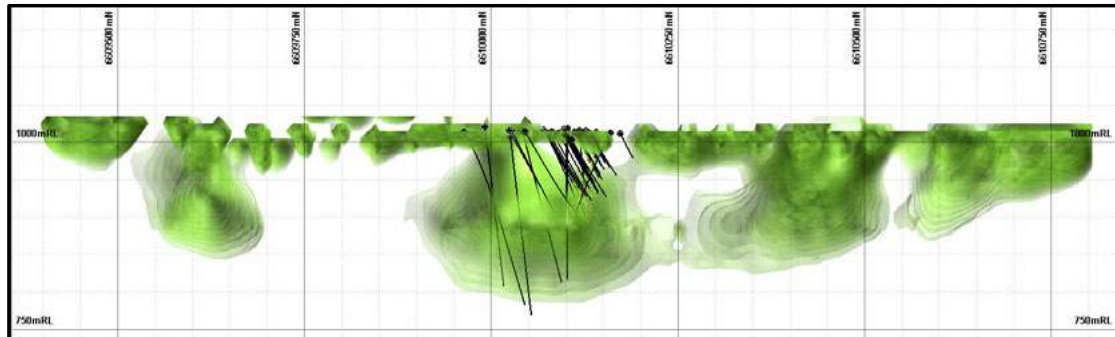


Figure 34: Martin's Shaft prospect 3D IP inversion isosurfaces and drillholes, section looking west

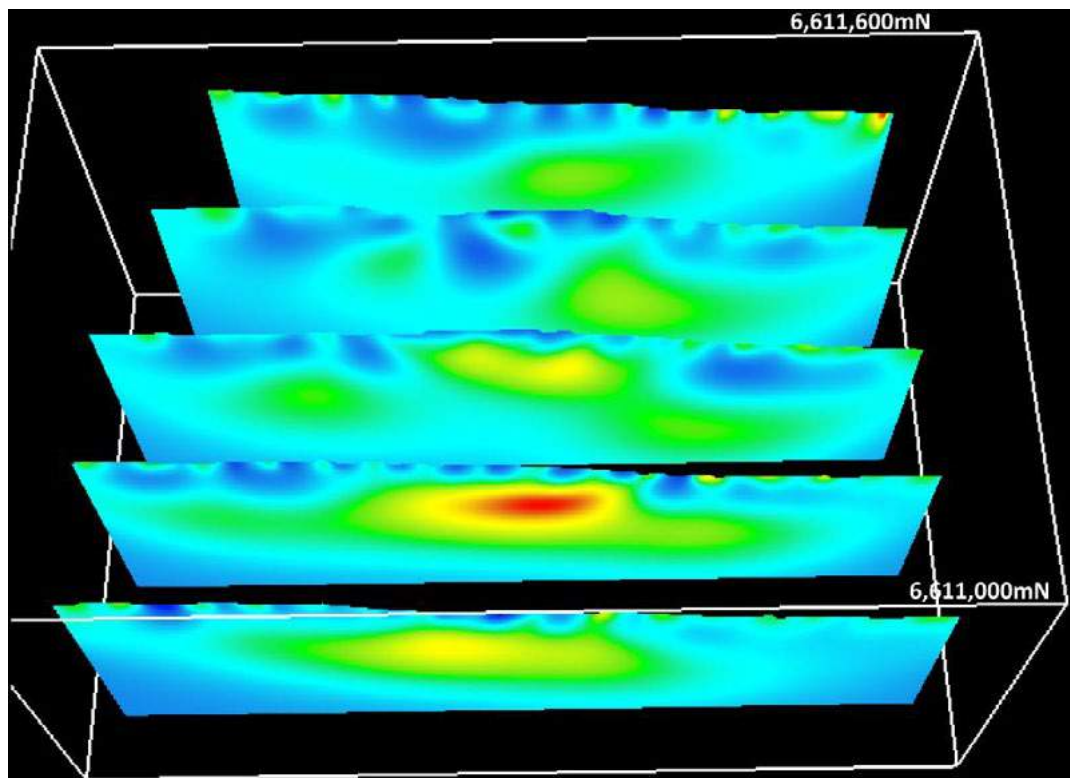


Figure 35: Hudson's prospect stacked IP pseudosections looking north

Source: Muthupandian, 2021

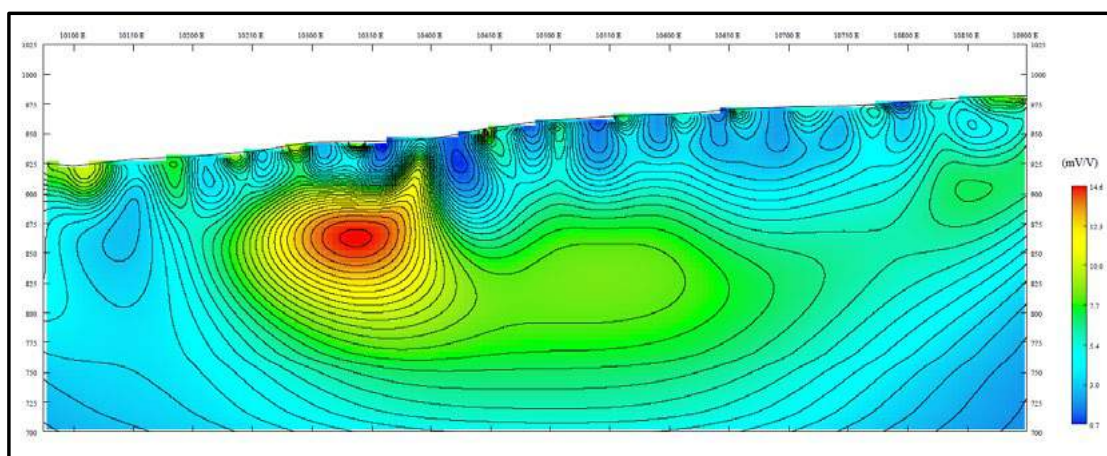


Figure 36: Fraser's Find prospect IP pseudosection

Source: Clar, 2020; Note eastings based on local grid

## 8.8. DRILLING

Uralla Gold Pty Limited completed two shallow aircore drillholes totalling 54m to test alluvial material at the Sydney Flat Deep Lead. Results were disappointing and no further work was undertaken (Hetherington, 1995).

Sovereign Gold undertook several drilling programs on eight prospect areas within EL6483 between 2011 and 2015 (Table 14).

HOLE_ID	East MGA94	North MGA94	RL (m)	Prospect	Dip	Azim	Length (m)	Drill Type	Year
14	348650	6607865		Uralla Gold	-90	0	36	AC	1994
15	348650	6607865		Uralla Gold	-90	0	18	AC	1994
SGRDD001	347690	6610141	1013.7	Martin's Shaft	-62.1	61.5	13.5	DD	2011
SGRDD002	347698	6610123	1012.7	Martin's Shaft	-56.7	342.4	41	DD	2011
SGRDD003	347700	6610112	1013.3	Martin's Shaft	-60	340	70.2	DD	2011
SGRDD004	347702	6610097	1013.3	Martin's Shaft	-58.4	345.9	76.1	DD	2011
SGRDD005	347716	6610135	1009.9	Martin's Shaft	-56.9	340.3	28.5	DD	2011
SGRDD006	347719	6610115	1011.2	Martin's Shaft	-60	340	60	DD	2011
SGRDD007	347687	6610095	1014.7	Martin's Shaft	-60	340	75.2	DD	2011
SGRDD008	347694	6610081	1014.4	Martin's Shaft	-60	340	99.5	DD	2011
SGRDD009	347716	6610075	1012.5	Martin's Shaft	-60	340	102	DD	2011
SGRDD010	347691	6610101	1014.3	Martin's Shaft	-90	340	133	DD	2011
SGRDD011	347870	6610914	1001.8	Little Gracie	-60	340	65.5	DD	2011
SGRDD012	347853	6610999	1005.2	Gracie	-73	120	100.5	DD	2011
SGRDD013	347891	6610962	997.4	Gracie	-60	300	50	DD	2011

HOLE_ID	East MGA94	North MGA94	RL (m)	Prospect	Dip	Azim	Length (m)	Drill Type	Year
SGRDD014	347688	6610124	1013.6	Martin's Shaft	-60	340	45.3	DD	2011
SGRDD015	347770	6608895	1036.2	Wilson's Creek	-60	285.1	32.1	DD	2011
SGRDD016	347788	6608890	1034.9	Wilson's Creek	-77.5	280.8	71.5	DD	2011
SGRDD017	347782	6608870	1035.7	Wilson's Creek	-69.4	285	75.2	DD	2011
SGRDD018	347774	6608790	1031.5	Wilson's Creek	-60	275	38	DD	2011
SGRDD019	347754	6608727	1029.3	Wilson's Creek	-60	279.7	45	DD	2011
SGRDD020	347773	6608722	1028.3	Wilson's Creek	-60.4	284.5	27	DD	2011
SGRRC001	347707	6610133	1011.3	Martin's Shaft	-60.9	341.8	54	RC	2011
SGRRC002	347708	6610124	1011.9	Martin's Shaft	-60.5	343.4	57	RC	2011
SGRRC003	347709	6610113	1012.2	Martin's Shaft	-59.2	340.1	72	RC	2011
SGRRC004	347687	6610130	1013.5	Martin's Shaft	-60.4	339	48	RC	2011
SGRRC005	347688	6610122	1013.7	Martin's Shaft	-59.2	337.5	54	RC	2011
SGRRC006	347689	6610112	1014	Martin's Shaft	-59.2	343.4	69	RC	2011
SGRRC007	347668	6610127	1015.3	Martin's Shaft	-60.3	350.8	45	RC	2011
SGRRC008	347669	6610119	1015.3	Martin's Shaft	-60.5	349.3	42	RC	2011
SGRRC009	347672	6610100	1015.9	Martin's Shaft	-60.5	342.8	66	RC	2011
SGRRC010	347653	6610097	1017.7	Martin's Shaft	-59.6	350.9	66	RC	2011
SGRRC011	347712	6610099	1012.6	Martin's Shaft	-59.6	346.1	78	RC	2011
SGRRC012	347726	6610136	1008.8	Martin's Shaft	-61.4	349.2	63	RC	2011
SGRRC013	347729	6610117	1010.1	Martin's Shaft	-61.7	344.2	60	RC	2011
SGRRC014	347732	6610098	1010.3	Martin's Shaft	-62.2	347.3	72	RC	2011
SGRRC015	347747	6610100	1008.5	Martin's Shaft	-62.1	347.3	90	RC	2011
SGRRC016	347761	6610103	1006.3	Martin's Shaft	-61.8	343.3	84	RC	2011
SGRRC017	347696	6610072	1014.5	Martin's Shaft	-62.8	343.8	117	RC	2011
SGRRC018	347716	6610075	1012.5	Martin's Shaft	-60	340	65	RC	2011
SGRRC019	347713	6610090	1012.6	Martin's Shaft	-60	340	87	RC	2011
SGRRC020	347781	6610108	1003.1	Martin's Shaft	-61.2	359.7	90	RC	2011
SGRRC021	347736	6610079	1010.1	Martin's Shaft	-60.9	344.4	105	RC	2011
SGRRC022	347720	6610046	1013.9	Martin's Shaft	-61.5	346.9	153	RC	2011
SGRRC023	348098	6611917	969.2	Vickers Prospect	-61.7	317	63	RC	2011
SGRRC024	348115	6611935	968.9	Vickers Prospect	-60.7	312.5	54	RC	2011
SGRRC025	348144	6611964	967.3	Vickers Prospect	-61.8	303.8	69	RC	2011
SGRRC026	348083	6611886	971.4	Vickers Prospect	-62.1	310.5	65	RC	2011
SGRRC027	348064	6611858	972	Vickers Prospect	-60.9	304.6	51	RC	2011
SGRRC028	348089	6611919	971.2	Vickers Prospect	-61.1	310.4	57	RC	2011
SGRRC029	348116	6611899	965.7	Vickers Prospect	-62.1	313	104	RC	2011
SGRRC030	347690	6610160	1012.6	Martin's Shaft	-60.6	159.9	139	RC	2011
SGRRC031	347688	6610173	1011.3	Martin's Shaft	-60.1	345.3	37	RC	2011
SGRRC032	347714	6609964	1014.2	Martin's Shaft	-60.3	343.7	247	RC	2011
SGRRC033	347714	6610024	1015.5	Martin's Shaft	-60	340	87	RC	2011

HOLE_ID	East MGA94	North MGA94	RL (m)	Prospect	Dip	Azim	Length (m)	Drill Type	Year
SGRRC034	347713	6610027	1015.6	Martin's Shaft	-60.5	346.5	139	RC	2011
SGRRC035	347686	6610071	1015.3	Martin's Shaft	-60.6	348.1	133	RC	2011
SGRRC036	347676	6610070	1016.3	Martin's Shaft	-60	340	115	RC	2011
SGRRC037	347851	6610932	1003.8	Little Gracie	-90	000	27	RC	2011
SGRRC038	347826	6610933	1005.4	Little Gracie	-60	096.3	55	RC	2011
SGRRC039	347854	6611000	1001.9	Little Gracie	-60	310.4	49	RC	2011
SGRRC051	350250	6615680	961.6	Goldsworth Mine	-74	140	103	RC	2011
SGRRC052	350228	6615701	961.1	Goldsworth Mine	-60	140	49	RC	2011
SGRRC053	350223	6615699	961	Goldsworth Mine	-78	140	67	RC	2011
SGRRC054	350216	6615717	960.5	Goldsworth Mine	-75	140	121	RC	2011
SGRRC055	350197	6615683	961.4	Goldsworth Mine	-60	062	67	RC	2011
SGRRC056	350177	6615658	962.1	Goldsworth Mine	-65	138	55	RC	2011
SGRRC057	350108	6615604	963.3	Goldsworth Mine	-60	140	98	RC	2011
SGRRC058	350326	6615752	959.4	Goldsworth Mine	-60	140	37	RC	2011
SGRRC059	350361	6615792	958.6	Goldsworth Mine	-74	140	61	RC	2011
SGRRC060	350404	6615817	958.4	Goldsworth Mine	-70	140	67	RC	2011
SGRRC061	350439	6615853	957.1	Goldsworth Mine	-70	140	55	RC	2011
SGRRC062	350477	6615888	956.7	Goldsworth Mine	-70	140	48	RC	2011
SGRRC063	350508	6615930	955.2	Goldsworth Mine	-70	140	67	RC	2011
SGRRC064	350384	6615846	957	Goldsworth Mine	-70	140	103	RC	2011
SGRRC065	350023	6615551	964.8	Goldsworth Mine	-66	152	121	RC	2011
SGRRC066	349960	6615476	967.4	Goldsworth Mine	-66	134	115	RC	2011
SGRRC067	350341	6615824	957.2	Goldsworth Mine	-62	144	103	RC	2011
SGRRC068	350207	6615859	956.4	Goldsworth Mine	-58	140	67	RC	2011
SGRDD023	349674	6612150	963.3	Fraser's Find			14.7	DD	2012
SGRDD024	349676	6612147	963.8	Fraser's Find			17.1	DD	2012
SGRDD025	349661	6612146	963.7	Fraser's Find			17.2	DD	2012
SGRDD026	349678	6612144	964.2	Fraser's Find			17.9	DD	2012
SGRDD027	349664	6612140	963.9	Fraser's Find			22	DD	2012
SGRDD028	349664	6612139	964.2	Fraser's Find			22.2	DD	2012
SGRDD029	349666	6612132	962.3	Fraser's Find			31.2	DD	2012
SGRDD030	349669	6612122	964.1	Fraser's Find			48.1	DD	2012
SGRDD031	349680	6612125	964.9	Fraser's Find			45.4	DD	2012
SGRDD032	349500	6612047	962	Fraser's Find			55.8	DD	2012
SGRDD033	349455	6612020	943	Fraser's Find			40.2	DD	2012
SGRDD034	349677	6612149	964.9	Fraser's Find			13.4	DD	2012
SGRDD035	349651	6612126	963.8	Fraser's Find			25.3	DD	2012
SGRDD040	351595	6608210	964.9	Melvaine's			27.1	DD	2013
SGRDD041	351569	6608201	963.8	Melvaine's			70.4	DD	2013
SGRDD042	351584	6608234	964.1	Melvaine's			39	DD	2013

HOLE_ID	East MGA94	North MGA94	RL (m)	Prospect	Dip	Azim	Length (m)	Drill Type	Year
M-ZK0001	347739	6610026	1006	Martin's Shaft	-75	296	245.5	DD	2014
M-ZK0002	347670	6610041	1018.5	Martin's Shaft	-75	015	214	DD	2014
M-ZK0003	347653	6610118	1015.8	Martin's Shaft	-80	060	125.7	DD	2014
M-ZK0004	347676	6610102	1018.1	Martin's Shaft	-90	000	201.6	DD	2014
M-ZK0301	347700	6609992	1020.1	Martin's Shaft	-75	296	220.4	DD	2014
FF-ZK007	349426	6611926	949.1	Fraser's Find	-60	210	276	DD	2015
FF-ZK0802	349428	6611929	948.4	Fraser's Find	-60	320	115.9	DD	2015

Table 14: Historical Drillholes completed within the area of EL8980

Note: Orientation of drillholes SGRDD023 - SGRDD042 not recorded

#### MARTIN'S SHAFT

A total of 29 Reverse Circulation (RC) drillholes (for 2,534m) and 16 Diamond (DD) drillholes (for 1,751.5m) were completed by Sovereign Gold during 2011 (Figure 37).

The gold mineralisation comprised sheeted veins and disseminations within a felsic dyke that has been drilled to 120m vertical depth (Figure 38, Figure 39). Sovereign Gold considered that the host lithology has acted as a brittle host for magmatic fluids (Leu & Robertson, 2011).

Significant intersections (>1 g/t Au cut-off) from the Martin's Shaft drillholes, compiled from reported drillhole assay data, are presented in Table 15.

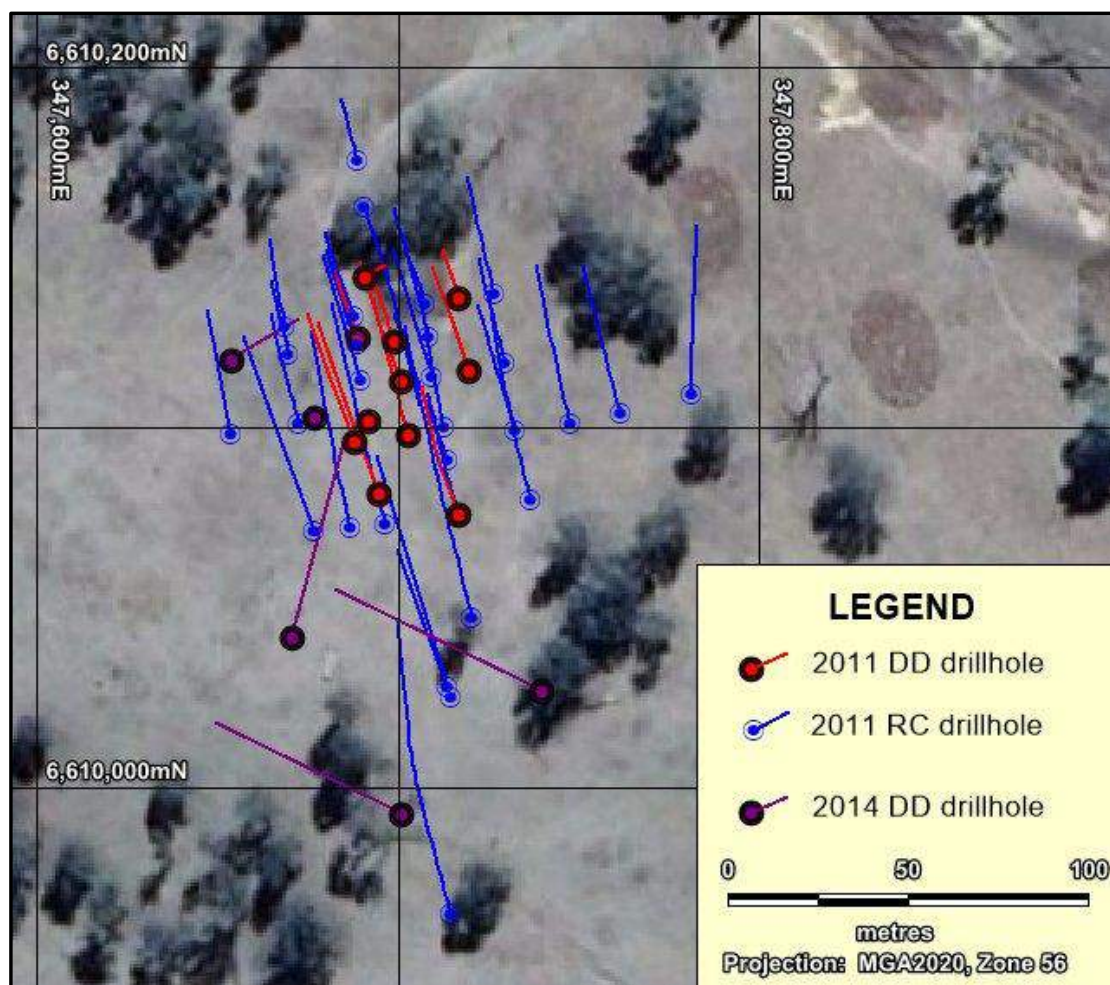
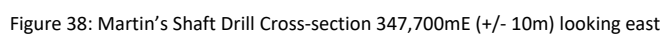


Figure 37: Martin's Shaft drillhole locations

The drilling defined a mineralised zone with approximate dimensions of ~70m along strike, ~25m thick and ~120m down dip. The shape of the body is suggestive of a pipe-like structure, possible at the intersection of cross-cutting faults (Figure 38). A longitudinal section along the strike of the mineralisation confirms this pipe-like nature (Figure 39) and suggests that the deposit is open down plunge. Although there are some photographs of mineralised veins and alteration zones in the Sovereign Gold reports, the lack of lithological logging for the majority of the drillholes makes an interpretation difficult.

Sovereign Gold surmised that the drilling results indicate that the body is widening with depth (Leu & Robertson, 2011), although, in Geos Mining's opinion, this interpretation is not borne out by the drilling results. However, the mineralised structure is still open at depth and deeper drilling is recommended to test for extensions.



**Au (g/t)**

- > 5.0
- 5.0 to 2.0
- 2.0 to 1.0
- 1.0 to 0.5
- 0.5 to 0.2
- <= 0.2

SGRRC010, SGRRC011, SGRRC012, SGRRC013, SGRRC014, SGRRC015, SGRRC016, SGRRC017, SGRRC018, SGRRC019, SGRRC020, SGRRC021

1000mRL, 347800mE, 347700mE, 347600mE

66m, 42m, 66m, 76m, 76m, 100m, 115m, 17m, 133m, 126m, 133m, 139m, 72m, 106m, 90m, 84m

Figure 39: Martin's Shaft Drill Cross-section 6,610,120mN (+/- 20m) looking north

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Sb %	Comment
SGRDD001	0	6	6	1.28	0.7	-	
SGRDD002	24	38	14	4.83	3.8	-	Twinned SGRR002
incl	27	30	3	6.94	10.3	-	
and	36	38	2	18.95	8.8	0.43	
SGRDD003	37	44	7	2.83	2.4	-	
SGRDD004	53	64	11	5.38	10.9	0.17	Twinned SGRR0011
incl	58	64	6	8.30	18.8	0.30	
SGRDD005	11	13	2	1.14	1.0	-	
SGRDD006	41.5	44	2.5	3.80	15.1	0.20	
SGRDD008	73.5	92	18.5	2.41	3.8	-	
Incl	85	89	4	4.81	1.6	-	
SGRDD009	88	89	1	4.18	1.6	-	
SGRDD010	78	113	35	1.10	-	-	Note 1
incl	84	89	5	3.29	-	-	Note 1
SGRDD014	21	29	8	5.40	1.8	0.27	Twinned SGRR0005
SGRR001	15	18	3	6.20	3.7	-	
SGRR002	26	32	6	1.43	3.2	-	Twinned SGRDD002
SGRR003	35	50	15	1.84	1.2	0.12	
SGRR004	13	27	14	2.41	1.5	0.19	
SGRR005	25	32	7	3.13	1.4	0.20	Twinned SGRDD014
SGRR006	37	44	7	3.54	2.8	0.30	
SGRR009	39	40	1	2.27	1.3	-	
SGRR011	57	62	5	2.50	2.1	0.13	Twinned SGRDD004
SGRR013	40	43	3	1.60	5.1	-	
SGRR017	76	100	24	1.26	3.0	0.11	
SGRR022	123	124	1	2.04	3.9	-	
SGRR030	15	17	2	1.50	0.2	-	Note 2
SGRR030	67	69	2	1.18	58.3	-	Note 2
SGRR030	74	103	29	3.24	14.0	0.11	Note 2
SGRR035	90	112	22	1.15	-	-	Note 1
SGRR036	90	98	8	2.19	-	-	Note 1

Table 15: Martin's Shaft intersections (&gt;1g/t gold) drilled by Sovereign Gold

Note 1: Reported in Leu &amp; Robertson, 2011; Summary Au grades only. Raw assay data not available.

Note 2: SGRR030 drilled down the dip of the mineralised zone

A total of four diamond drillholes completed by Sugec Mining during 2014 (Leu, et al., 2014) intersected low grade mineralisation with only occasional thin intervals of high-grade gold and antimony.

There were no significant intersections for drillholes SGRDD007, SGRR007, SGRR008, SGRR010, SGRR012, SGRR014, SGRR015, SGRR016, SGRR019, SGRR020, SGRR021, SGRR031, SGRR032, SGRR033, SGRR034, M-ZK0001, M-ZK0002, M-ZK0003, M-ZK0004 & M-ZK0301.

Sovereign Gold carried out drillhole 'twinning' to compare the sample integrity of RC samples versus core samples (Leu & Robertson, 2011). Drillholes SGRDD014 and SGRR005 were collared two metres apart but recorded significantly different intersections in terms of Au grade (Figure 40):

Pair 1 (2m apart):

- SGRDD014: 8m @ 5.40 g/t Au from 21m (0.5 g/t Au cut-off)
- SGRR005: 8m @ 2.83 g/t Au from 25m (0.5 g/t Au cut-off)

Similar comparisons were undertaken during 2012 and gave even larger discrepancies, suggesting that the RC drilling has under-estimated the intersection length and grade (Leu, et al., 2012) (Figure 40):

Pair 2 (11m apart):

- SGRDD004: 18m @ 3.51 g/t Au from 52m (0.5 g/t Au cut-off)
- SGRR011: 11m @ 1.48 g/t Au from 52m (0.5 g/t Au cut-off)

Pair 3 (10m apart):

- SGRDD002: 21m @ 3.41 g/t Au from 18m (0.5 g/t Au cut-off)
- SGRR002: 15m @ 0.99 g/t Au from 18m (0.5 g/t Au cut-off)

We note that, in the 2012 testing, the drillhole pairs were 10-11m apart, not 2m as for the 2011 pair. Geos Mining compared the results of the paired drillhole assays, and observed that, using a 0.5g/t gold cut-off, the intersection lengths were similar or longer in the diamond drillholes than for the RC pairs. However, the average gold grades are significantly higher in the diamond drillholes in all three cases (Figure 40). In our opinion, this difference may be attributed to sampling methods and/or the presence of coarse gold. Future drilling programs should take this variability in mind when deciding on the type of drilling, sampling methods and sampling QAQC.

PAIR 1					PAIR 2					PAIR 3			
SGRDD014		SGRRC005			SGRDD004		SGRRC011			SGRDD002		SGRRC002	
25	8.59	12.75	30	55	0.69	0.68	55	20	0.51	0.65	20		
	5.37	1.45			5.61	0.44			0.74	0.48			
	1.29	2.14			0.02	0.54			0.38				
25	15.4	1.71	30	60	0.83	0.36	60	25	0.34	0.7	25		
	2.51	0.97			0.42	0.83			0.62	0.65			
	2.6	1.35			2.47	5.2			0.93	0.95			
29	0.59	1.55	33	65	19.6	2.12	63	30	5.28	0.99	30		
	6.82	0.74			5.27	1.52			0.88	0.51			
					7.71	1.53			0.54	2.67			
Each sample interval is 1m				70	6.09	2.13		35	10.5	1.16	35		
					3.58	0.88			5.05	0.65			
					7.55				5.28	0.26			
				70	0.47			39	0.29	2.31	38		
					0.22				0.18	1.55			
					0.85				0.27	0.93			
				70	0.33			39	0.69	0.25	38		
					0.65				0.67	0.11			
					0.87				15.2	0.04			
								70	22.5	0.16	38		
									0.32	0.80			
				70	0.52		38						

Figure 40: Twinned drillhole pairs showing gold grade (g/t) comparisons

Depth markers in metres. Each sample interval was 1m.

## GOLDSWORTH MINE

A total of 18 RC drillholes (for 1,404m) were drilled by Sovereign Gold during 2011 (Table 14, Figure 41). Most drillholes were designed to test the linear magnetic anomaly on which the mine is located and all drillholes intersected sulphidic and altered meta-sediments with quartz veining. Mineralisation consisted of narrow zones of low gold grades, with better intersections (>0.5 g/t Au cut-off) being:

- SGRRC054: 3m @ 1.45 g/t Au from 101m depth
- SGRRC055: 2m @ 0.94 g/t Au from 43m depth
- SGRRC060: 7m @ 0.82 g/t Au from 22m depth

Elsewhere, only scattered single 1m intervals reported assays greater than 0.5 g/t gold.

The GSNSW mineral occurrences data mentions that the historical shaft was bulldozed in and Google Earth imagery does not clearly show the location of the Goldsworth Mine. Sovereign Gold reported that the alteration zone associated with the magnetic structure was detected in costeans and some of the drillholes intercepted old stopes (Leu & Robertson, 2011).

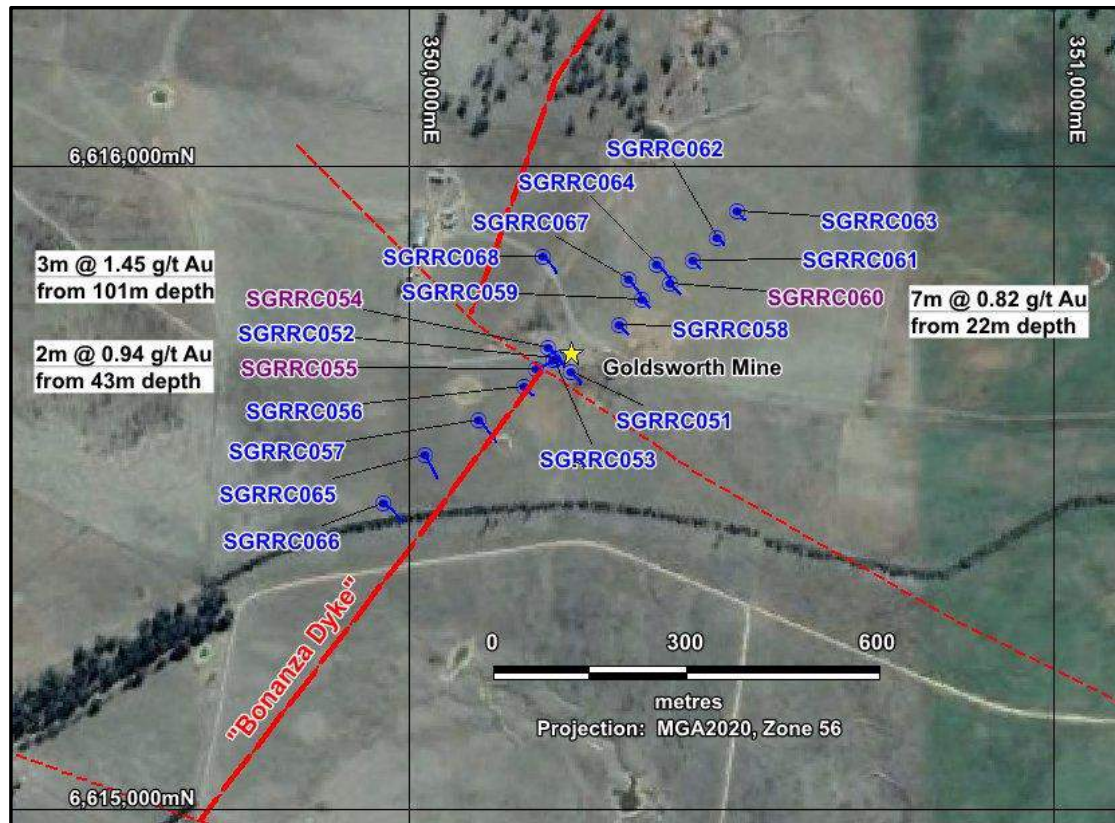


Figure 41: Goldsworth Prospect RC drillhole locations &amp; significant assay intervals

Major structure interpreted from aeromagnetic data

Sovereign Gold later undertook a grid soil sampling program over the Goldsworth Mine and extensions along strike to the northeast and southwest (Figure 26, Section 8.6). The area was also covered by the 2011 airborne magnetics survey, flown after the completion of the 2011 drilling program. Data from this survey for the Goldsworth Mine area is currently not available.

#### VICKERS PROSPECT

A total of seven shallow RC drillholes (for 463m) were drilled by Sovereign Gold in 2011 (Figure 42) (Leu & Robertson, 2011). Widespread alteration was reported by Sovereign Gold, but only two narrow zones of silver-arsenic-gold mineralisation were intersected:

- SGRRC023: 2m @ 0.02 g/t Au, 57g/t Ag and 5.2% As from 21m
- SGRRC024: 1m @ 3.08 g/t Au, 54g/t Ag and 7.8% As from 33m

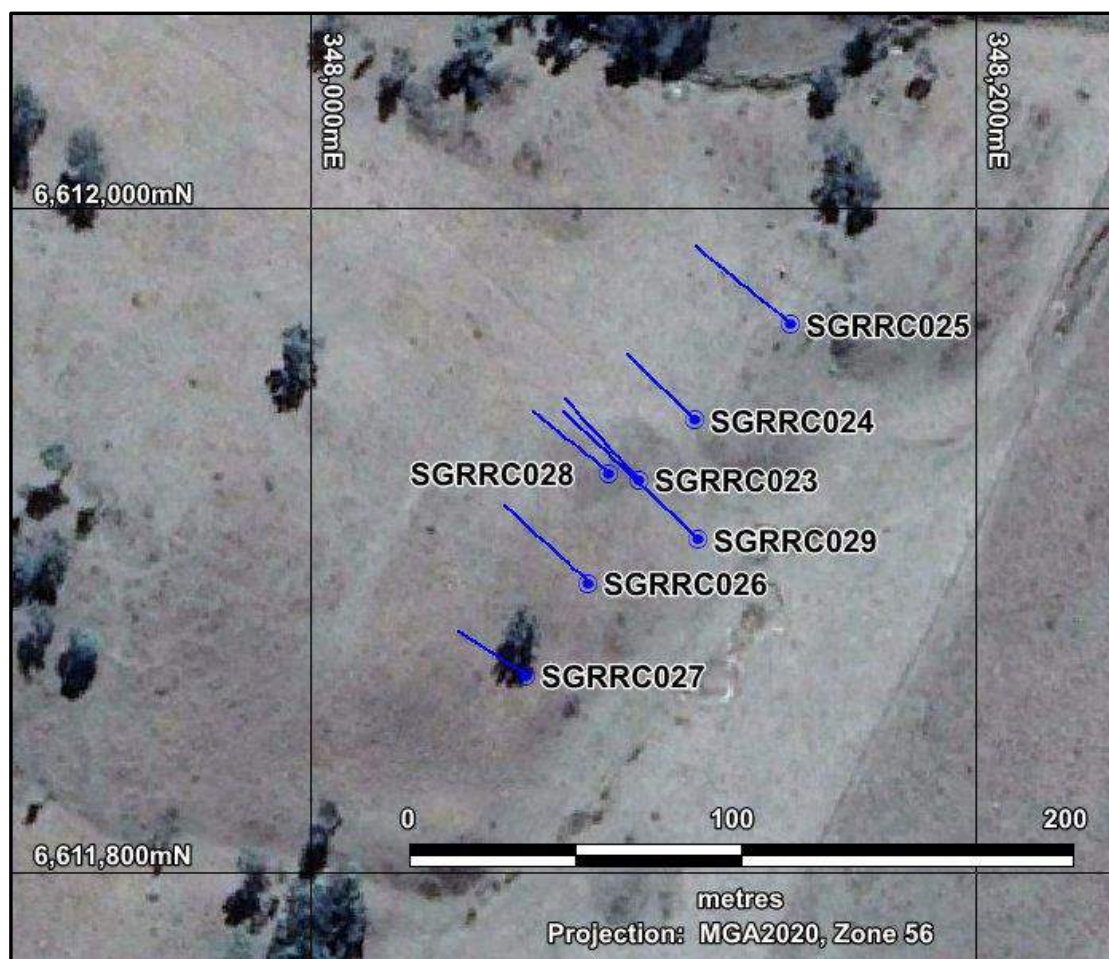


Figure 42: Vickers Prospect RC drillholes

#### GRACIE - LITTLE GRACIE MINES

During 2011, Sovereign Gold completed two shallow Diamond drill holes (for 146m) at Gracie Mine, one Diamond drill hole (for 70m) and three RC holes (for 131m) at Little Gracie (Leu & Robertson, 2011) (Figure 43). Only weak mineralisation was intersected with Sovereign Gold reporting that the lode below the Gracie Mine workings is only very narrow (0.25m wide in drillhole SGRDD012, 95.5-95.75m: 0.35g/t gold, 10.7g/t silver, 3.3% arsenic and 125ppm antimony). However, they noted that “historical records show this vein contained bonanza shoots of gold running ounces per tonne” (Leu & Robertson, 2011).



Figure 43: Gracie &amp; Little Gracie prospects drillholes

## WILSONS CREEK SHAFT

A total of 6 DD holes (for 320m) were drilled by Sovereign Gold in 2011 (Figure 44) (Leu & Robertson, 2011). The locations of old pits and shallow shafts indicates that mineralisation may extend over a strike length of at least 660m, according to Sovereign Gold, yet only very weak mineralisation was intersected by the drilling. The best result was 1m @ 0.56g/t Au and 1.6% As from 47m in drillhole SGRDD016. Two drillholes, SGRDD019 and SGRDD020, reportedly intersected an extensively altered (sheeted vein) diorite dyke over 20m downhole depth, but the best assay was only 1m @ 0.56g/t Au from 9m depth in drillhole SGRDD019.



Figure 44: Wilsons Creek Shaft prospect drillholes

## FRASER'S FIND

Sovereign Gold drilled a total of 13 shallow Diamond drill holes (for 370.5m) in 2012 (Figure 45) (Leu, et al., 2012). They purchased their own 4WD-mounted drill rig for this program in order to minimise costs and limit surface damage. However, the rig was only capable of drilling small diameter (BQ, 37.5mm) core. As a result, "Low or zero core recovery of the main gold lode occurred in 8 of the diamond drillholes. This resulted either from encountering old workings, water loss hole abandonment prior to target or brittle/soft nature of mineralisation" (Leu, et al., 2012). Furthermore, the orientation of the drillholes (dip and azimuth) was not recorded and the storage of the drill core is unknown.

Sample volume is critically important when assaying for precious metals, where mineralisation is expected to be nuggety; HQ diameter core (63.5mm diameter) is the minimum preferred standard. As a result, Geos Mining recommends caution when reviewing the assay results from these drillholes.

We also note that limited assaying of core was carried out by Sovereign Gold, probably because of the low core recoveries or because only narrow zones of mineralisation were noted in the logging. Sampling intervals totalled only 30.5m from the drilling total of 370.5m. The 98 sampling intervals ranged from 0.02m to 1.55m and averaged 0.31m.

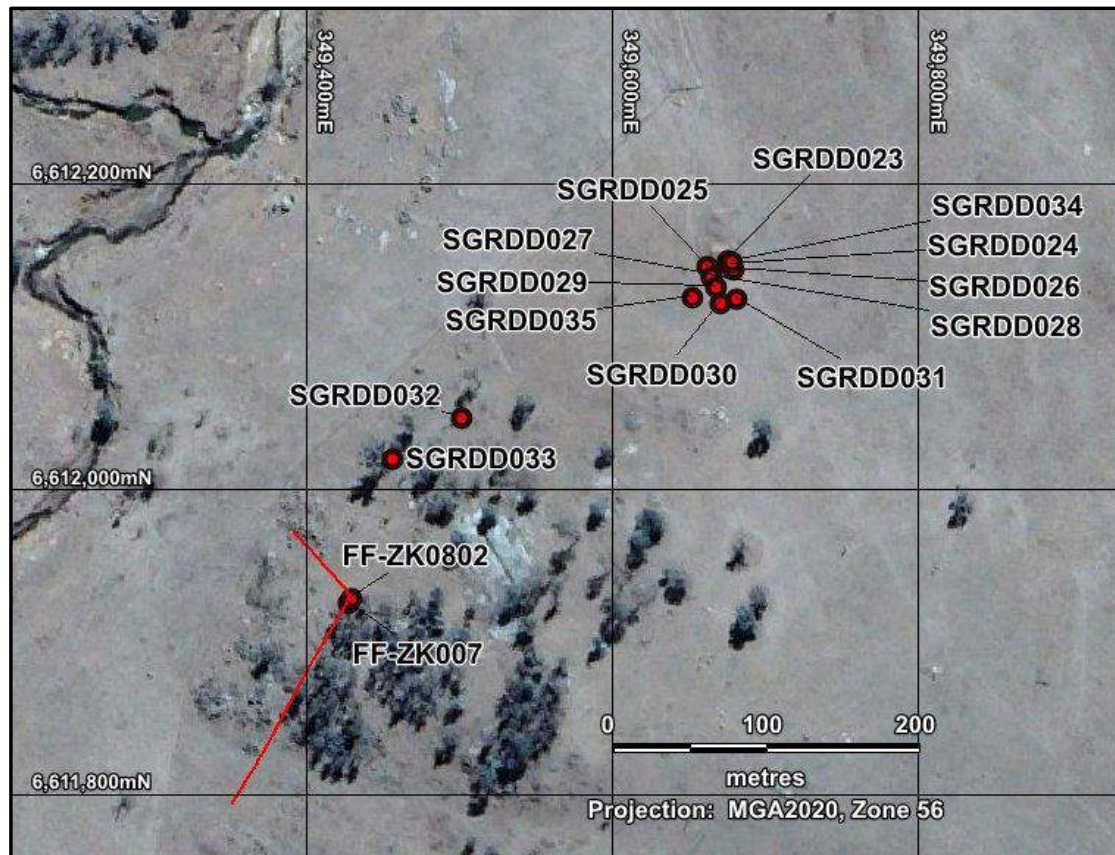


Figure 45: Fraser's Find prospect drillholes

High grade gold mineralisation was intersected over narrow widths, including:

- SGRDD023: 0.6m @ 14.3g/t Au, 141g/t Ag, 0.75% Pb and 5.2% As from 11.1m
- SGRDD029: 0.25m @ 4.6g/t Au, 160g/t Ag, 1.01% Pb and >9.8% As from 27.0m
- SGRDD030: 0.7m @ 1.2g/t Au, 6g/t Ag, 1.01% Pb and 3.0% As from 38.26m

Sovereign Gold's joint venture partner, Sugec Mining, completed two more diamond drillholes totalling 391.9m in 2015 (FF-ZK007 & FF-ZK0802). Although, according to Leu, et al., 2015, the drilling confirmed the extension of the narrow gold bearing structure, only ten intervals totalling 6.13m were sampled. The mineralisation intersected was reportedly quite weak, with highest assay results only 0.35g/t Au, 2.97g/t Ag, 2% As (Leu, et al., 2015).

#### OTHER PROSPECTS

Three diamond drillholes were completed by Sovereign Gold at Melvaine's in 2013 but significant gold grades were intersected in centimetre wide veins only (Leu, et al., 2013). Drillhole collar orientation information for these drillholes was not reported.

### 8.9. MINERAL RESOURCES

There are no Mineral Resources compliant with the JORC Code 2012 within the Uralla Project.

### 8.10. OPPORTUNITIES

Previous exploration has identified several prospects containing zones of narrow, but high-grade, gold mineralisation. These prospects appear to be associated with major structures that have been interpreted from airborne magnetics surveys. The IRGS model investigated by Sovereign Gold appears to be geologically viable.

Rock chip sampling programs by Lode and other companies have identified high-grade gold mineralisation, with associated high arsenic values, within pervasively altered and quartz veined metasediments. The mineralisation appears to be structurally controlled, especially the NE-trending Bonanza Dyke structure and possible splays. The widespread and pervasive alteration indicates that the mineralisation is not restricted to thin quartz veins, as had previously been interpreted. The close association between gold mineralisation and elevated arsenic values enables the use of arsenic as a pathfinder element in geochemical sampling to define zones of alteration and mineralisation.

The IP geophysics survey has successfully defined significant chargeability anomalies at the four prospects that were tested. The broad shapes of these anomalies suggest disseminated sulphide mineralisation that could be intrusion related. Of particular interest is the large open-ended chargeability anomaly at the southern end of the McCrossin's survey area and the broad anomaly within the Hudson's area, which has not been tested by the historical drilling at Gracie prospect.

Martin's Shaft shows sufficient potential to warrant further drilling to test for extensions at depth as well as the IP anomalies to the north and south of the historical workings. Mineralised intersections in the drillholes beneath the historical workings appear to be narrow and with limited tonnage potential. Therefore, high gold grades need to be intersected to make this deposit of further interest. In contrast, the broad IP anomalies to the north and south of the historical workings suggest the presence of disseminated mineralisation envelopes around the structurally controlled feeder zones.

In our opinion, the previous exploration undertaken on the Fraser's Find was inadequate in that the shallow drilling by Sovereign Gold utilised a core that resulted in very poor core recovery and the drillholes intersected underground workings. The single line of IP geophysics has identified a broad chargeability anomaly that can be used to define drilling targets.

At Goldsworth Mine, it appears that the locations of the drillholes have not tested the interpreted structures that are likely to be the focus for mineralising fluids. Furthermore, interpretation of the soil

sampling and airborne magnetics have not been compared to the drilling results to define additional targets.

The semi-circular magnetic feature interpreted from the 2011 magnetic survey between Fraser's Find and Diggers Shaft has not been followed up to determine if it is associated with mineralisation. However, this feature remains as a conceptual target only. IP geophysics and grid soil sampling are recommended to define drilling targets.

Other conceptual targets are the intersections between the major structures that have been interpreted from the airborne magnetics surveys. Ground follow-up with geological mapping, geochemical sampling and IP surveys is recommended for these targets.

We have not fully investigated the potential in the alluvial deposits. However, from our assessment of the historical data and consideration of the likely landholder / environmental restrictions, we do not recommend this style as a viable exploration target for Lode at Uralla.

#### 8.11. RECOMMENDATIONS

Recommendations for exploration programs for EL8980 are:

- RC drilling of the IP anomalies detected at Hudson's, McCrossin's, Martin's Shaft and Fraser's Find prospects. Careful selection of drillhole orientations is recommended to ensure that the drillholes intersect the controlling structures
- Coverage of the Vickers prospect to Gracie prospect area with grid soil sampling using a portable XRF analyser tuned to detect arsenic, lead and zinc anomalies as pathfinder elements for the gold mineralisation. Anomalous zones may be tested with RAB drilling to better define the zones
- Follow-up diamond drilling to better define any significant mineralised zones
- Extend the IP survey at McCrossin's prospect to close off the anomaly to the south.

## 9. Fender Project (EL9003)

### 9.1. MINING HISTORY

Several small historical copper workings are located within EL9003, the most productive being Fischer's Copper Mine (2,643t @ 13.4% Cu), Trough Gully (2,752t), Mulla Creek, Woolomin and Mount Pleasant prospects (Figure 46).

Fischer's Copper Mine was first reported in 1885 (Carne, 1908) and has undergone intermittent small-scale production up to the 1960s. Copper mineralisation is localised along a near-vertical shear zone and subsidiary shears and joints within steeply-dipping jasper and siltstone. In the oxidised portion of the deposit, copper minerals consist of cuprite, malachite, azurite, chalcocite and native copper (Suppel, 1969). Massive pyrite bands were mapped along the main underground drive developed in 1970 (Staude, 1970) and also reported in percussion drillholes in 1971 (Mustard, 1971b).

The Trough Gully Copper Mine, approximately 5km north of Fischer's, was first reported in the 1899 Annual Report of the Department of Mines (Relph & McClatchie, 1961). The mineralisation is similar to Fischer's in form and size, being primarily copper carbonates hosted by sheared mudstone, phyllite, siltstone and jasper, although banded pyritic ore was also found close to the surface. Small parcels of high-grade copper ore were despatched from the mine from 1899 to 1916 (Relph & McClatchie, 1961) and a reverberatory furnace was erected at the site in 1908 (Carne, 1908).



Photo 5: Trough Gully lower adit

At the Mount Pleasant Copper Mine, CS Wilkinson reported "Mr T Hole has had a shaft 50 feet deep sunk in prospecting for a copper lode where the altered red jasperoid slates are traversed by a small irregular vein a few inches thick of gossan, quartz and serpentinous clay containing carbonates of copper" (Carne, 1908).

The Limbri goldfield in the northern part of EL9003 consists of alluvial workings and nine shallow gold diggings on gold-bearing quartz veins and stockworks hosted by jasperoid chert horizons.

Manganese occurrences, generally of limited extent, are scattered throughout the area, but production from these deposits is not recorded.

## 9.2. HISTORICAL EXPLORATION

Previous exploration on the area covered by EL9003 is summarised in Table 16. There has been considerable geochemical sampling carried out, but only minor geophysical surveys have been completed. Drilling has been limited to only one prospect, Fischer's Copper Mine.

Tenement	Company	Years	Comments
EL0464	FISCHERS COPPER MINE PTY LIMITED	1971 - 1972	Soil & rock chip sampling on Mt Pleasant prospect. Ground geophysics and soil sampling, percussion drilling (11 drillholes, 385m) at Fischer's Copper.
EL0563	ELECTROLYTIC ZINC COMPANY OF AUSTRALASIA LTD	1972 - 1974	Geochemical sampling & magnetic susceptibility readings at Woolomin copper prospect.
EL5392	MALACHITE RESOURCES NL	1997 - 1999	BLEG & rock chip sampling at Limbri goldfield Meares, 1999.
EL6509	AUZEX RESOURCES LIMITED	2006 - 2008	Soil & rock sampling. No significant results. No Cu assays.
EL6560	MALACHITE RESOURCES NL	2006 - 2008	Minor stream sed samples. No significant results.
EL6613	PEEL EXPLORATION LIMITED	2006 - 2010	Soil & rock chip samples from Mt Pleasant, Trough Gully & Mulla Creek.
EL7489	GOLD OF OPHIR PTY LTD	2010 - 2012	No targets generated.
EL7768	SUGEC RESOURCES LIMITED	2011 - 2016	Focussed on Abington prospect, west of EL9003.
EL7770	IRGS NORTHERN GOLD PTY LTD	2011 - 2015	Good rock chip samples from Trough Gully, Fisher's & Mulla Creek.
EL8012	SOC1 PTY LTD	2012 - 2013	Small overlap. Focussed on gold prospects to the south of EL9003.

Table 16: Previous Exploration within EL9003

## 9.3. GEOLOGICAL SETTING

In 1971 geological mapping of the EL9003 area was carried out by the (then) Department of Mines. The oldest rocks are serpentinites of Middle Cambrian to Early Silurian age distributed along the Spring Creek Fault and associated structures as a series of discrete, elongate slivers (Figure 46). Woolomin Group and

related units, comprising volcanoclastic lithic sandstone, siltstone and mudstone with subordinate chert, jasper, basalt and diamictite, occur to the west of the Spring Creek Fault.

Sandon Association rocks of Devonian to Early Carboniferous age occur over much of the central portion of the licence area east of the Spring Creek Fault. The Sandon Association strata consist of deep-water origin lithic sandstone, slate, phyllite, chert, jasper, metabasalt, siltstone, mudstone and paraconglomerate.

The Manning Formation is a sequence of Early Permian sediments with some volcanics, occurring as fault slices within the Woolomin Association rocks adjacent to the Spring Creek Fault.

The Late Permian to Early Triassic I-type Moonbi Monzogranite occurs adjacent to the northwestern margin of the tenement.

#### 9.4. DEPOSIT TYPE AND MINERALISATION STYLE

The NSW mineral occurrence database NSW Government Spatial Services, 2020 records a total of 27 historical workings within the area covered by EL9003 (Table 17 and Figure 46). All are small in size and comprise a mix of underground shafts and drives, small open pits and gougings. Primary commodities sought were gold ± copper ± manganese.

Styles of mineralisation recognised by GSNSW and previous explorers include:

- Copper dominant VHMS<sup>6</sup> style deposits – Cyprus / Besshi type
- Vein/ stockwork hosted gold deposits
- Tungsten-molybdenum pipes, veins and disseminated deposits
- Porphyry copper-gold deposits
- Podiform chromite deposits (Leggett, 2010)
- Stratiform manganese-rich rocks that host auriferous veins

Deposit	Commodity	Workings	Depth (m)	Comments
<b>Charmant Vue Manganese</b>	Mn	OP and shafts	2	A shallow shaft and a small OP have been excavated in what are probably two very small manganiferous pods within jasper.
<b>Cockburn River Prospect</b>	Au	UG, OP and shafts	15	The lode comprises a 0.70m wide quartz vein with a 1m wide manganiferous lode on its Western side. Dump sample returned 2.05ppm Au (Meares, 1999).
<b>Edward's prospect</b>	Cu	UG and shafts	6	Single inclined shaft. A 0.6 m wide gossan with some malachite.

<sup>6</sup> VHMS = Volcanic Hosted Massive Sulphide

Deposit	Commodity	Workings	Depth (m)	Comments
<b>Fischer's Copper Mine</b>	Cu	OP, UG, shafts, drives	40	Seven massive sulphide lenses are exposed in the workings; the largest lens is approximately 23m long and up to 2.5m wide. Reported to have produced 2643t at an average grade of 13.4% Cu, the Fischer's Mine operated over the periods 1899-1900 and 1968-1974 (Blayden, 2007a). Assays of mineralisation from Fischer's Copper Mine showed the mineralisation contained about 30 grams/tonne silver and 1.5-3 grams/tonne gold (Robertson, 2015a).
<b>Givney's Reef</b>	Au	UG and shafts	2	Single shaft and a bench cut into the hillside. Reef production to 1883.
<b>Gordon's Shaft</b>	Au	UG and shafts	10	No obvious lode. Minor quartz veinlets, disseminated pyrite cubes and minor gossanous material.
<b>Graham's Manganese Prospect</b>	Mn	UG, OP, shafts, adits, shallow workings	2	The lode is a zone of siliceous claystone containing pods and lenses of manganese oxides. Lode is 1 to 3 m wide.
<b>Herden's Copper Prospect</b>	Cu	UG, and shafts	10	Copper carbonates occur mainly within the chlorite schist. This deposit is similar to Edward's and Rasmussen's prospect; probably of volcanogenic origin.
<b>Jersey Gully Prospect</b>	Au	OP and shallow pits	2	A number of pits, including a small open cut, have been sunk on outcrop of a chert bed, 2 m thick and at least 500 m long. The gossan is associated with a network of quartz veins. Meares, 1999, considered that 'there is considerable strike extent of weak to moderate Au mineralisation.'
<b>Little Oak Creek Prospect</b>	Au	UG and shafts		Numerous small pyritic quartz veinlets, up to 3mm wide, are present in the jasper on the dumps.
<b>Mt Pleasant Copper</b>	Cu	UG, shafts, shallow pits	15	Several concordant vertical - sub vertically dipping mineralized zones within a 500m by 50m zone trending.
<b>Mulla Creek Copper Mine</b>	Cu	adits	30	A 0.5m wide gossan, parallel to the main deposit and 4.5 m to the west of it, is exposed at the end of a crosscut off the main adit. Primary grade about 1% Cu. Production 1911-1913 when 12 t of copper ore were produced though the grade is unknown. Sporadic working then took place over the period 1969-1980 (Blayden, 2007a).
<b>New Year's Gift</b>	Au	UG, shafts and adits	15	Fragments of white, vughy quartz, some with comb structure.
<b>Oakview Manganese Prospect</b>	Mn		1.5	Rhodonite with manganese oxides are present in sediments.
<b>Oakview North Manganese</b>	Mn			
<b>Rackham's Reward Mine</b>	Au	UG, shafts and adits	8	Two veins, line of shafts has been sunk on a quartz reef. About 120 m to the north, a tunnel was commenced in 1933 to intersect another reef. Production 1933-4.
<b>Railway prospect</b>	Au	OP	1.5	A small OP has been excavated in a manganiferous lode in chert. Sampled by GSNSW 4.7ppm Au.

Deposit	Commodity	Workings	Depth (m)	Comments
<b>Rasmussen's prospect</b>	Cu	UG, and shafts	10	Copper carbonates appear to be confined to dark green chlorite schist, also siltstones, jasper and claystone. This may be the same unit that is the host rock for Edwards and Herdens prospects.
<b>Spring Creek Alluvials</b>	Au-A	Dredging and/or sluicing, shafts and shallow pits,		Production 1897-1910.
<b>Stanning's prospect</b>	Au	UG, and shafts,	17	The lode is possibly in the jasper. Many anomalous samples reported by Malachite with maximum 29.5ppm Au (Meares, 1999)
<b>Stronghurst Manganese</b>	Mn	Adits,		Lode is up to 3m wide and at least 30m long. Mineralisation massive, earthy and occasionally stalactitic to botryoidal.
<b>Thompson's prospect</b>	Au	Shafts and shallow pits	4	The Lode appears to be a brecciated chert with siliceous veinlets and vughs, locally gossanous.
<b>Trough Gully Copper Mine</b>	Cu	UG, OP, shafts and adits	30	The lode is over 60 m long up to 4m wide and more than 30 m in depth. Contains up to 80% pyrite and banded. Average grade 2.2% copper, 1.2% zinc and 9.7 ppm silver. Production from this mine totalled 2752 t of ore with 1315 t smelted for copper and 787 t used in the production of sulphuric acid. This production took place periodically over the period 1899 to 1916 (Blayden, 2007a).
<b>Weaver's Reef</b>	Au	UG, shafts and shallow pits	11	The reef appears to have been a thin, vughy, quartz vein, about 10-20 mm thick, in basalt.
<b>Woolomin Mine</b>	Cu	UG, shafts and adits	43	The lode is approximately 0.3m wide. The workings consist of 2 shafts, some shallow pits and a 104m long adit that intersects the old 43m deep shaft. Production between 1910-1912.
<b>PeelEx 1-004</b>	Cu	Nil	0	Exploration target based on airborne magnetics and Cu anomalies in stream sediments.
<b>PeelEx 1-001</b>	Cu	Nil	0	Exploration target based on airborne magnetics and Cu anomalies in stream sediments.

Table 17: Mineral Occurrences within EL9003

Many previous explorers commented that the copper deposits were their prime targets, being classified as massive, stratiform cupriferous pyrite lenses (Haslam, 1973). Malachite Resources noted that the main targets are "syngenetic exhalative gold mineralisation and epigenetic structurally-controlled gold mineralisation" (Meares, 1999). Malachite considered that the manganese-rich horizons "probably represent oxidised, submarine exhalative stratiform manganese deposits".

Sovereign Gold (EL7770) determined that the pyritic copper occurrences are "probably volcanic submarine exhalative in origin" ('Cyprus-style') (Robertson, 2015c). Where field relationships are clear, these deposits are seen to be conformable, lenticular, sulphide bodies, intimately associated with heavily pigmented

jaspers and altered basaltic, probably tholeiitic, volcanics. Occasionally, a number of separate lenses have been recorded from the same locality, e.g. Mt Pleasant, Mulla Creek, Fischer's Copper and Trough Gully. Analyses of mineralisation from most of the copper deposits verify that copper, zinc, titanium, manganese, lead and cobalt are present in decreasing order of abundance.

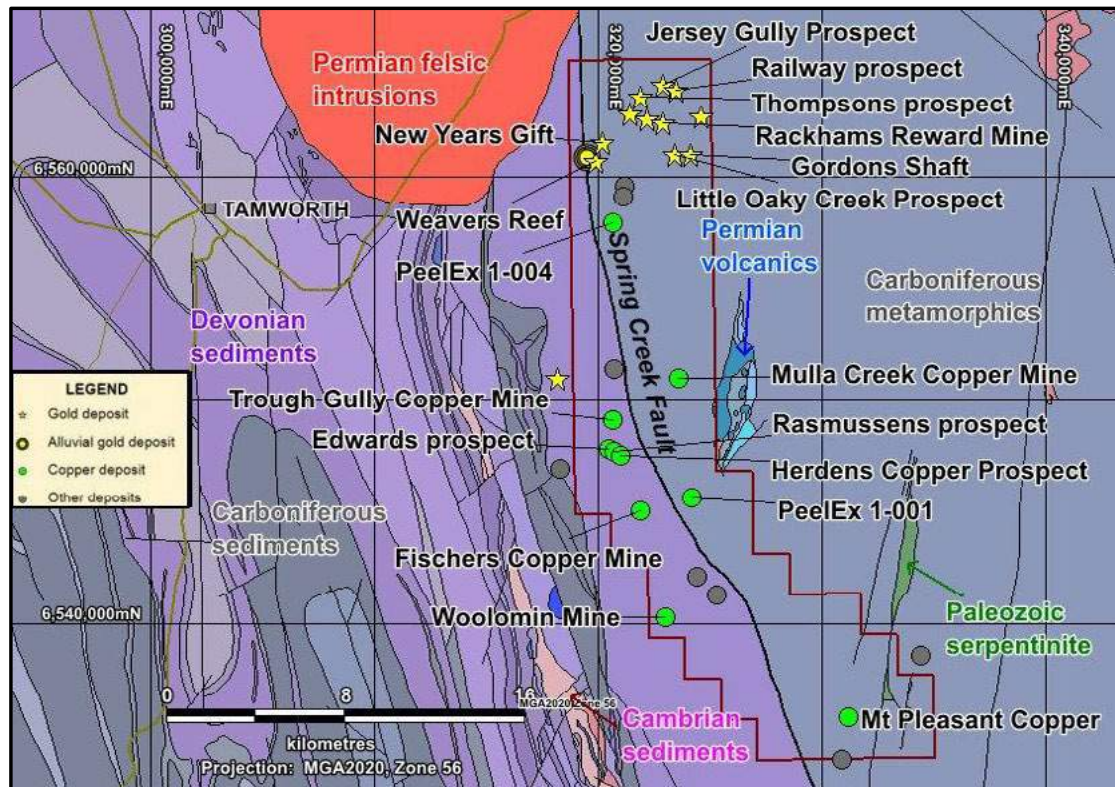


Figure 46: EL9003, Geological Setting and Mineral Deposits

## 9.5. PROSPECTS

The Trough Gully and Fisher's Copper workings have received particular attention, with Blayden, 2007a noting that the VHMS style deposits are favourably located within and to the west of the Peel-Manning Fault System (locally termed the Spring Creek Fault). The deposits vary greatly in size from small areas of copper carbonate staining up to deposits such as Trough Gully and Fischer's Copper, from which 2,572t and 2,643t of ore, respectively, were produced (Blayden, 2007a). The mineralisation is characteristically massive to mineralogically banded, comprising, in decreasing abundance, pyrite, chalcopyrite, bornite, sphalerite and magnetite with small amounts of gold as well as bismuth, lead and manganese minerals.

Primary mineralisation at Trough Gully copper mine includes pyrite, chalcopyrite, sphalerite, bornite, and proustite, while secondary mineralisation includes chalcocite (McCrae, 2007). Gangue minerals include calcite and quartz. The main lode was reportedly "at least" 42m in strike, up to 5 m wide and 30m in "proven depth". The lode remains open to the north and south as well as down dip. Exploration programs

in 1960s to early 1970s comprised surface and underground mapping, IP, and magnetics. Eight underground samples returned average grades of 2.2% Cu, 1.2% Zn, 13 ppm Ag, and trace Au while zinc values were reported as "increasing with depth". IP and magnetic anomalies were defined but have not been tested. Seven rock chip samples taken by Newmont (1980) returned individual assays of up to 1.6% Cu, 2.6% Zn, 55ppm Ag, and 0.75ppm Au.



Photo 6: Trough Gully mineralisation

In the mineral occurrences within the Limbri Goldfield at the northern end of EL9003, Blayden, 2007a, determined that the stratiform manganese rich rocks are host to auriferous veins on the eastern side of the Peel-Manning Fault. The gold mineralisation is believed to result from hydrothermal activity related to regional deformation and the intrusion of nearby Moonbi Adamellite with subsequent remobilisation from the exhalative sediments.

Peel Exploration defined two copper exploration targets based on magnetics interpretation and Cu anomalies in stream sediments. PeelEx 1-001 occurs ~2.4km east of Fischer's Copper Mine, on the eastern side of the Spring Creek Fault (Figure 46, Figure 48). PeelEx1-004 (also known as Kasey prospect) occurs on a NNE-trending ridge in the northern part of EL9003, along strike from the Oakview manganese deposits.

## 9.6. GEOCHEMISTRY

Stream sediment surveys were completed by several early explorers, including Fischer's Copper Mine (EL0464), Electrolytic Zinc (EL0535) and Peel Exploration (EL6613), together with rock chip, soil and more recently, portable XRF sampling. In 2004, the Geological Survey of New South Wales compiled a database of historical stream sediment sample assays and these have been used to generate a thematic map for copper geochemistry for EL9003 (Figure 47). Other elements either did not have sufficient assay results within the EL9003 region or did not show any significant anomalousness.

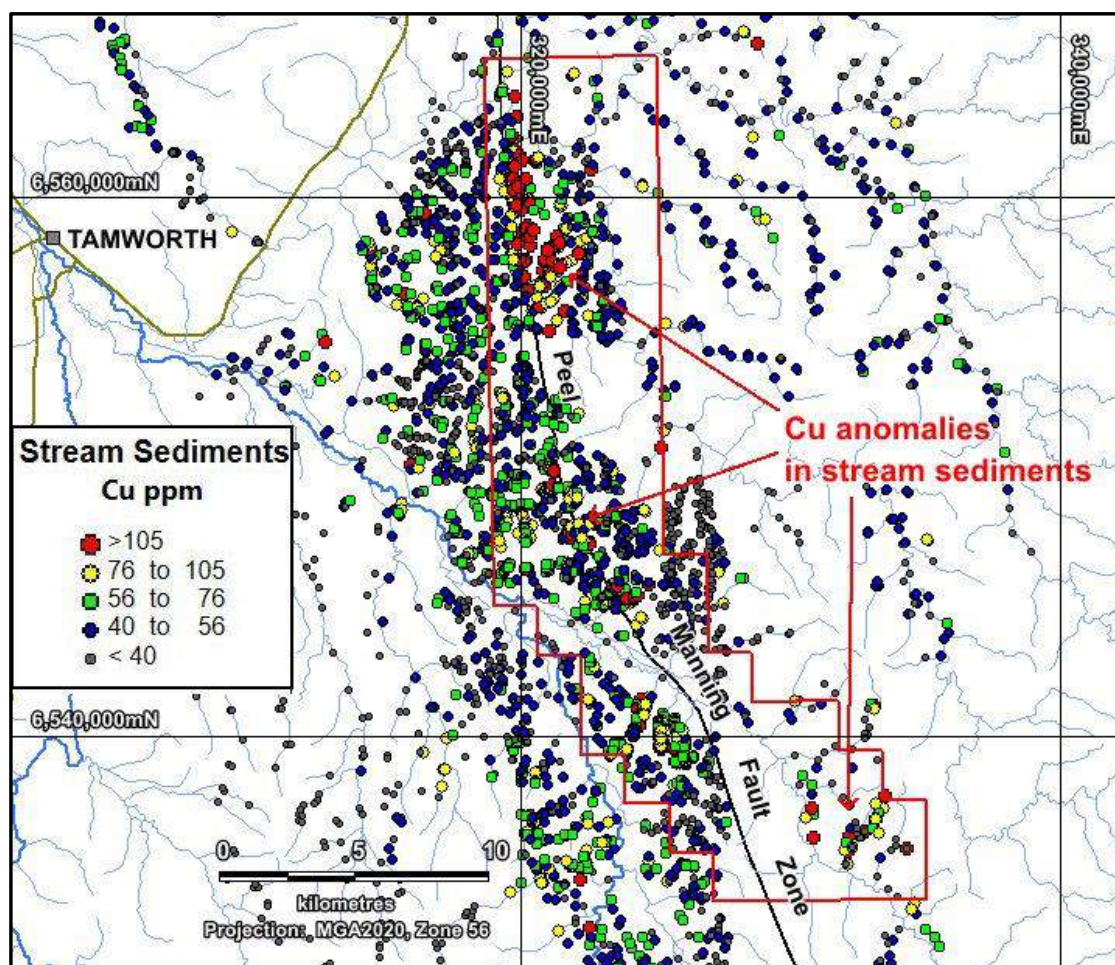


Figure 47: EL9003, Cu-values in Stream Sediments

Three clusters of higher copper results occur in the northern, central and southeastern areas of EL9003 (Figure 47). All three areas are located along and/or to the east of the Peel-Manning Fault Zone. McCrae, 2007, considered that the copper clusters are lithologically related, rather than indicating mineralisation.

The threshold for the highest range for the assay results (>105ppm Cu, representing the top 3% of samples) is only 2.5x the level of the lowest range (<40ppm Cu, representing the bottom 52% of samples). In Geos Mining's opinion, based on many years of assessing regional geochemical results, this is not a highly anomalous factor. The clusters may be purely related to copper-rich lithologies caught up in the Peel-Manning Fault Zone; but they may also relate to localised occurrences of high background lithologies as indicators of copper mineralisation. Therefore, further analysis of the 'anomalous' areas is required.

Fischer's Copper Mine completed soil sampling over grids covering the Fischer's copper mine and the Mt Pleasant copper mine. Small anomalous zones were detected at both prospects. Percussion drilling tested the Fischer's copper anomalies and Kennecott Explorations Australia ('KEA') followed up the Mt Pleasant results with further soil and rock chip sampling. KEA concluded that their sampling failed to extend the strong copper anomaly, which was "probably associated with copper carbonate mineralisation in jasperitic rocks" (Hay & Turner, 1972).

Peel Exploration completed geochemical surveys over several prospects within EL6613 during 2008-09 (Leggett, 2010), including:

- Niton portable XRF surveys over the Trough Gully, Mt Pleasant and Mulla Creek prospects
- Rock chip sampling at Kasey and several other prospects
- Soil sampling at Kasey, Trough Gully, Mulla Creek and Mt Pleasant

Peel believed that the area was under-explored and intended to undertake drilling programs on EL6613, but the tenement was relinquished due to commitments on other projects.

## 9.7. GEOPHYSICS

Fischer's Copper Mine Pty Ltd undertook a program of EM, ground magnetics and self-potential geophysics surveys over a 240m x 600m grid surrounding the Fischer's copper workings in 1971 (Mustard, 1971b). Anomalous areas were tested by a program of 11 percussion drillholes (Section 9.8).

Peel Exploration completed an airborne magnetics and radiometrics survey over EL6613 in 2008 (Tyson & Leggett, 2009). The RTP magnetics for this survey has been combined with regional magnetics flown by GSNSW in Figure 48. The processed magnetics shows a NW-trending dislocation associated with the Peel River. This feature may be responsible for a kink in the Spring Creek Fault near the Fischer's Copper Mine.

Near the intersection of the Spring Creek Fault and the Peel River, a magnetics feature coincides with anomalous Cu values from stream sediment sampling, which occur in streams draining a prominent hill. (Figure 48, Figure 49). Indigeo Consultants completed an interpretation of the Peel Exploration aeromagnetic data and described this anomaly, labelled as "1-001", as very high priority, with "possible remobilisation and concentration of mineralisation" in a "fold nose (and extensional regime) of undifferentiated Devonian sediments" (Tyson & Leggett, 2009). However, the circular feature defined by the magnetics anomaly and drainage patterns could also be interpreted as being due to an underlying intrusion with the magnetics high on the northern rim being due to magnetite or pyrrhotite-bearing mineralisation.

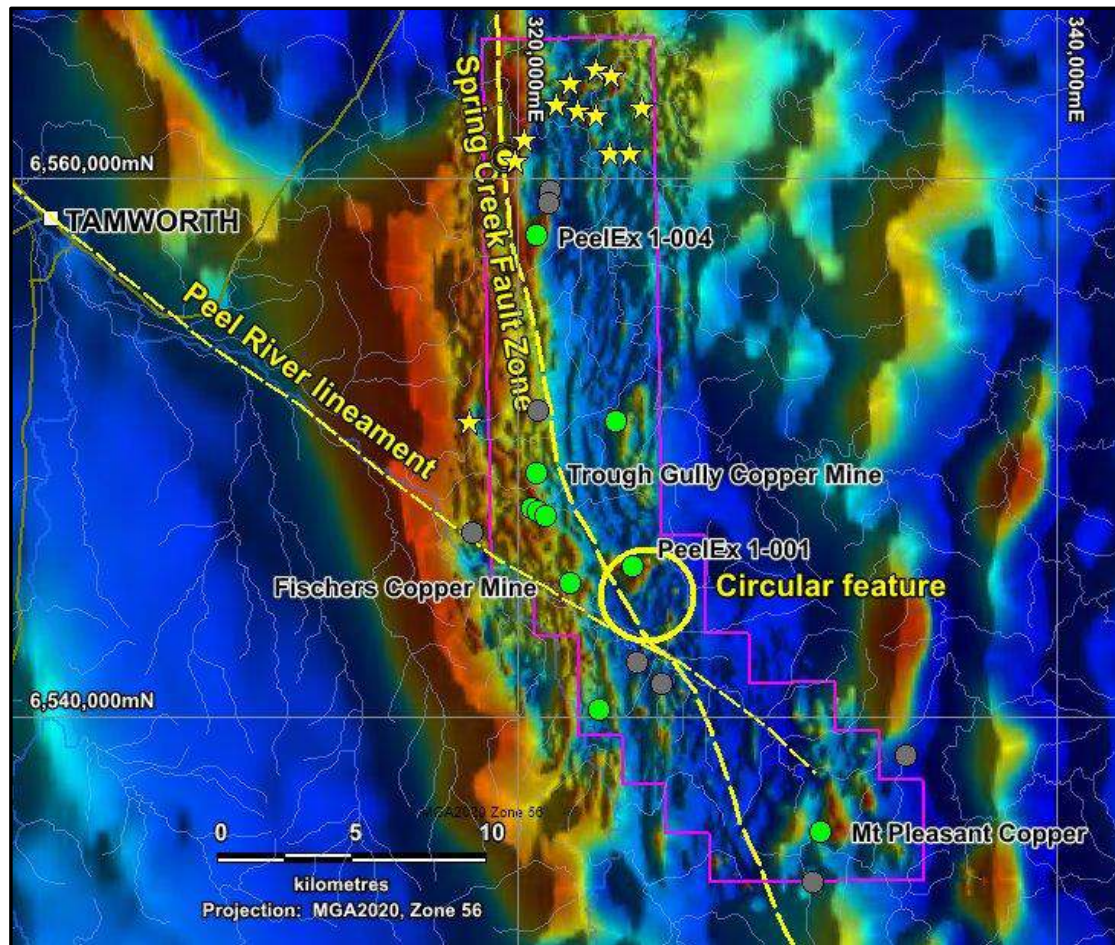


Figure 48: EL9003, airborne magnetics RTP

The coincident magnetics anomaly / Cu-in-stream sediments anomaly named “1-004” in the northern part of EL9003 (also known as the Kasey prospect) was interpreted by Indigeo Consultants as being due to structural dislocations and local folding, with an apparent magnetic spur offset from the Peel Fault. This anomaly occurs at the top of a prominent NNE-trending ridge that lines up with two manganese deposits about 1.25km north (Figure 50). Anomalous copper values were returned from stream sediment samples in drainages on both sides of this ridge.

Peel followed up the Kasey (1-004) anomaly with ridge-and-spur soil sampling and rock chip sampling, but there were no significant results. There were no descriptions of the rock chip samples, so the reason for the magnetic anomalism and copper anomalies remains unexplained. Further exploration is warranted for these prospects.

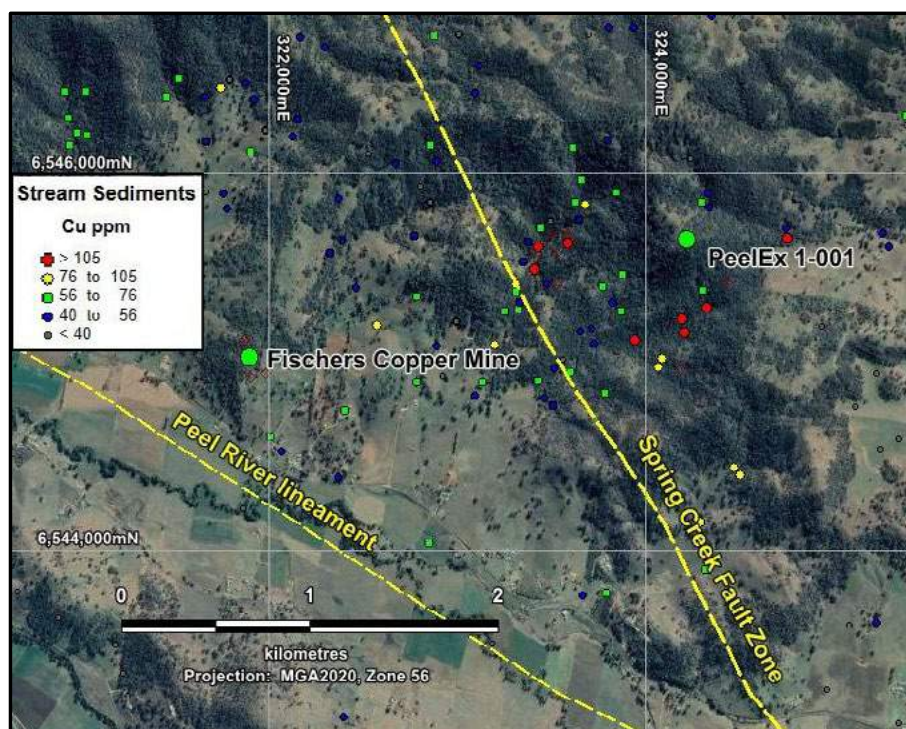


Figure 49: PeelEx1-001 anomaly, stream sediment Cu

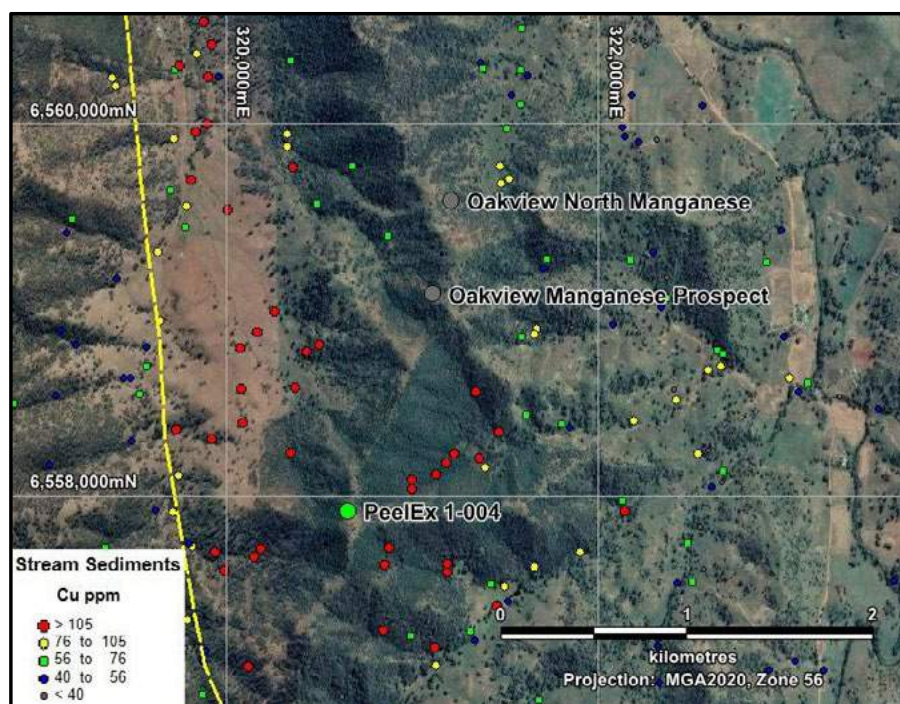


Figure 50: PeelEx1-004 anomaly, stream sediment Cu

## 9.8. DRILLING

The only reporting of any drilling being completed within the area of EL9003 was by the Fischer's Copper Mine Pty Ltd (Blayden, 2007a). The drilling comprised 11 percussion drillholes totalling 385m with the deepest at 56m. The drilling was undertaken based on a local grid in feet and the collar locations do not appear on the Minview website. However, a plan from the Fischer's Copper Mine report (Mustard, 1971b) was georeferenced by Geos Mining using topographic features and the drillhole collars and underground workings were digitised from the plan (Figure 51).

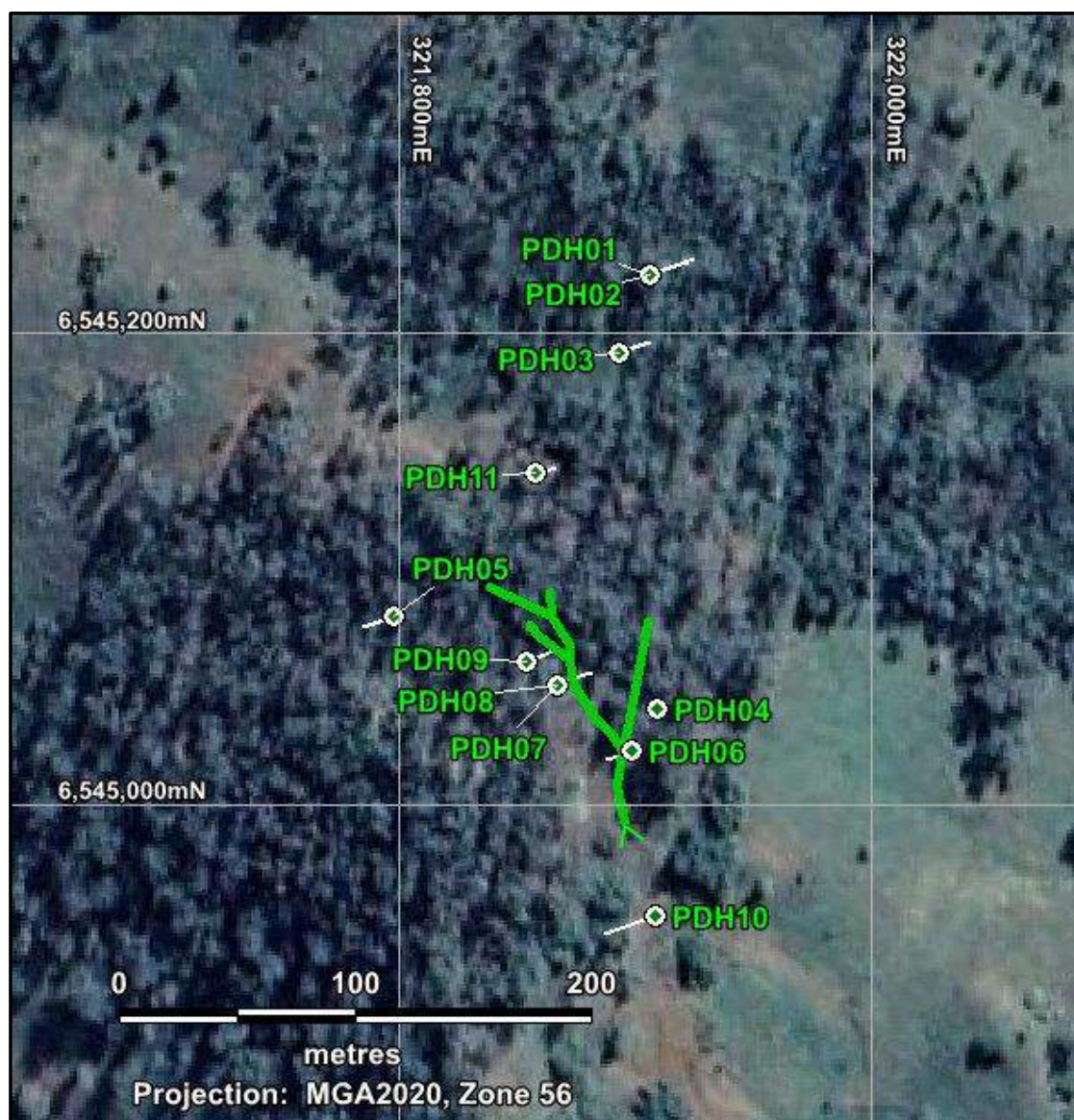


Figure 51: Fischer's Cu Mine percussion drillholes and underground mine workings

Only one drillhole (PDH06) intersected significant mineralisation (converted from sampling depths in feet):

- PDH06, 3.95m @ 0.54% Cu from 0.3m depth
- PDH06, 6.08m @ 0.35% Cu from 18.3m depth
- PDH06, 4.56m @ 2.45% Cu from 25.9m depth

PDH06 was drilled above and towards the west of the underground workings. There is insufficient information to determine the significance of the deeper intersection in PDH06, which may be a separate lens of mineralisation not intersected in the mine workings.

Overall, the results of the drilling did not support continuation down dip and along strike of the Fisher's copper mineralisation (Mustard, 1971b).

## 9.9. OPPORTUNITIES & RECOMMENDATIONS

In 2007, a review of the data by an independent geologist (Blayden, 2007a) suggested that the deposits are far from adequately explored, either in terms of detailed mapping, by geophysical means or by drilling. Drilling has been carried out at only at one prospect (Fisher's Copper) and the better grade mineralisation in drillhole PDH06 was not followed up.

Further exploration programs of detailed geochemistry, geophysics and drilling are warranted to evaluate the potential for economic mineralisation at the known deposits. We consider that further exploration should have as an objective the drill testing of the better of the prospects, especially the Trough Gully, Fisher's and Mt Pleasant prospects.

Historical gold prospects in the northern part of EL9003 have received very limited exploration programs. Although they are listed as 'occurrences' only in the Minview database, further reconnaissance programs (stream sediment sampling, geological mapping) are recommended.

The 'circular feature' identified near the PeelEx 1-001 anomaly contains anomalous copper values in the stream sediment samples draining the prominent hill, but no other exploration data. This prospect warrants follow-up geological mapping to determine the source of the magnetic anomaly and anomalous copper values.

Similarly, the PeelEx 1-004 anomaly in the north of EL9003 requires follow-up exploration. This prospect warrants follow-up geological mapping and rock chip sampling to determine the source of the magnetic anomaly and anomalous copper values.

Geos Mining notes that the topography is quite challenging in many parts of the tenement and this may have limited the practical ability to complete geophysics surveys or drilling. However, from a technical viewpoint, we agree with the long-held concepts related to mineralisation style and probable genesis.

## 10. Elsinore Project (EL9004)

### 10.1. HISTORY

Previous work is summarised in Table 18. There has been little exploration completed within the immediate area of EL9004 with most carried out in neighbouring prospects at Suttons Gully and Abington. The most significant exploration has been carried out by Sovereign Gold / Sugec Resources on EL7768 at the Elsinore copper prospect.

Tenement	Company	Years	Comments
EL0053	VAM LIMITED	1966-1967	All work at Boorolong Mo prospect, outside of EL9004.
EL1095	CRA EXPLORATION PTY LIMITED	1978-1979	All work at Suttons Gully Sn W prospect, outside of EL9004.
EL1278	JINGELIC MINERALS NL	1979-1981	Diamond exploration, stream sediment sampling for indicator elements only.
EL1863	STRATEGIC METALS CORP PTY LIMITED	1982-1985	Most work concentrated on Suttons Gully Sn W prospect. Some Mo Sn reconnaissance at Boorolong Prospect.
EL4822	RIO TINTO EXPLORATION PTY LIMITED	1995-1997	Diamond exploration, aeromagnetics.
EL5458	DIAMOND VENTURES EXPLORATION PTY LTD	1998-2000	Diamond exploration.
EL6509	AUZEX RESOURCES LIMITED	2006-2008	Exploration focussed on Parlour Mountain intrusive, mainly to the east of EL9004. Soil sampling and mapping targeting Au, Mo, Bi, W, Sn.
EL6560	MALACHITE RESOURCES NL	2006-2008	Exploration mainly to the west of EL9004. Some stream sediment sampling.
EL7701	URALLA GOLD PTY LTD	2011-2014	Exploration to the east of EL9004 at Suttons Gully.
EL7768	SOVEREIGN GOLD (SUGEC RESOURCES LIMITED)	2011-2016	Elsinore Cu – Geochem sampling, IP surveying. Other work outside of EL9004.

Table 18: Previous Exploration within EL9004

### 10.2. DEPOSIT TYPE AND STYLE

The GSNSW Minview database reports only two mineral occurrences within EL9004, one of which has never been located (Table 19 and Figure 52).

Deposit	Commodity	Workings	Depth (m)	Comments
Elsinore 1 & 2	Cu	Pits	1.5	Massive banded pyrrhotite within meta-basalt
Laura Creek	Mo	Unknown		Not located. Reported as MoS <sub>2</sub> in quartz veins

Table 19: Mineral Occurrences within EL9004

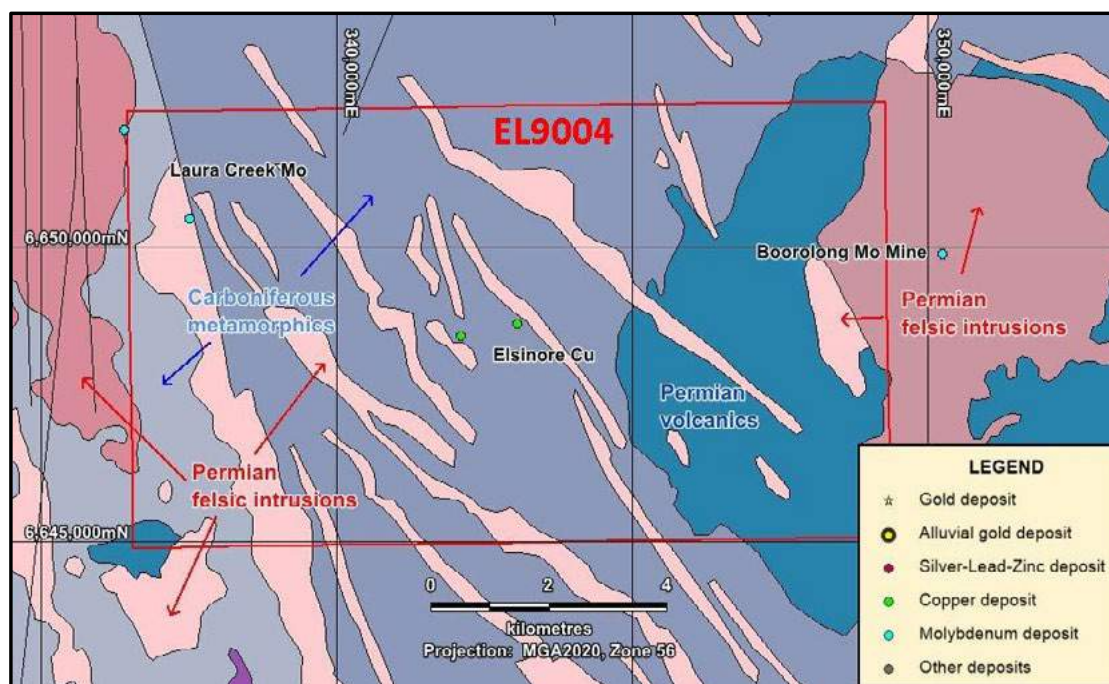


Figure 52: EL9004, Geology &amp; Mineral Deposits

The Elsinore Prospect comprises Sandon Beds greywacke and psammite with intruded felsic dykes that are crosscut by fracture zones with notable chloritization, sericitization, silicification, pyritization and kaolinization. In the eastern portion of the Elsinore occurrence, gossanous outcrop has been located but the mineralisation style was not reported (Leu, et al., 2016). However, the NSW Government mineral occurrence database refers to the occurrence as stratiform, lenticular massive type (Brown, et al., 1992).

The Laura Creek Prospect was reported on by Andrews in 1916 as containing numerous molybdenite flakes over an extensive area. CRA visited the area in addition to the NSW Government Geologist with no success in finding the “extensive molybdenite flakes”. Field traverses by Malachite were also unsuccessful in locating the molybdenite occurrence (Derriman, 2008).

### 10.3. EXPLORATION

#### MAPPING AND LOCAL GEOLOGICAL SETTING

The local geological setting is dominated by the Late Permian monzogranite, termed the Parlour Mountain Cauldron that is located on the extreme eastern end of EL9004 and has intruded Carboniferous Sandon Beds meta-sediments. Permian volcanics and felsic intrusive dykes comprise much of the tenement area (King, 1982).

## GEOCHEMISTRY

Sugec Resources completed an extensive soil sampling program (Robertson, 2013) covering the Elsinore Prospect and outlined a number of spotty Au, As, Cu, Pb and Zn anomalies. Unfortunately, while the gridded images of the soil sample results were reported, no actual assays were included in the data sets accompanying the report. The interpreted distribution of anomalies (Figure 53) suggests a weak E-W trend in the central portion of the gridded area, with NW-SE extensions that broadly mimic the orientation and location of the Permian felsic dykes.

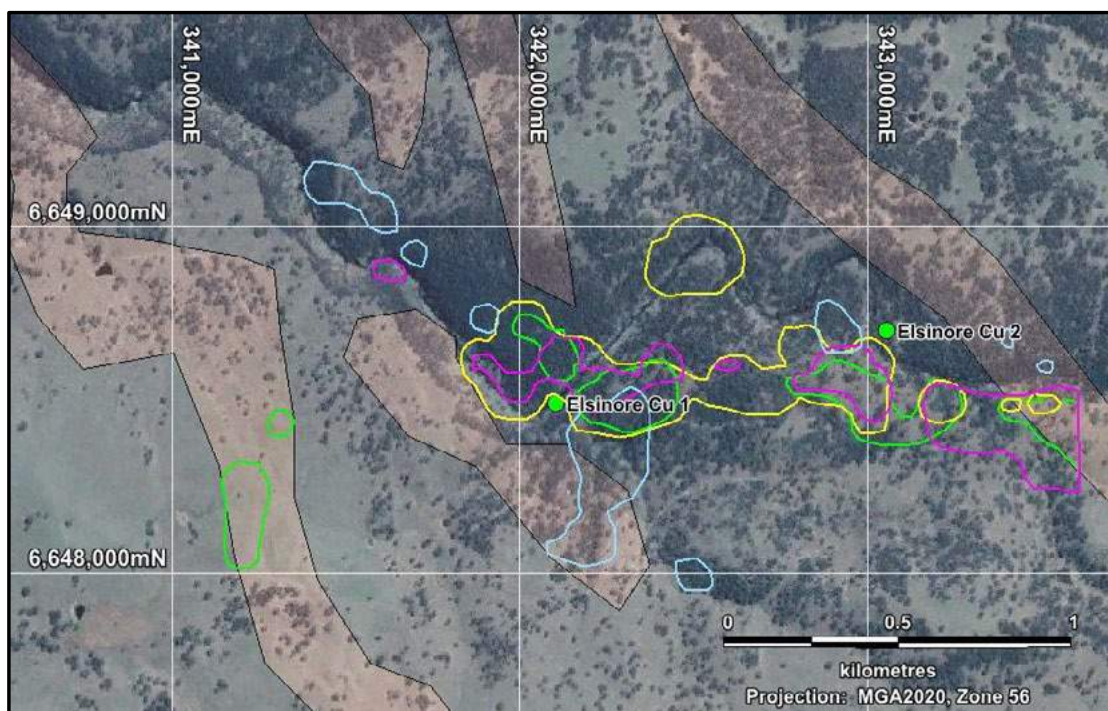


Figure 53: Elsinore Prospect Soil Sampling Anomalies

Outlines of anomalous areas taken from Robertson, 2013.  
Yellow = Au; Green = Cu; Blue = Pb; Purple = Zn

## GEOPHYSICS

Sugec Resources followed up the soil survey with a detailed IP survey, using 20m station intervals along 100m spaced gridlines (probably gradient array, but this was not stated). Although anomaly maps were presented in their annual reports, the grid coordinates on the maps are illegible and the raw data was not provided. One map shows anomalous IP chargeability zones to the northwest of Elsinore Copper No.1 prospect. However, without more information on the survey procedures we cannot comment on the significance of these zones.

#### 10.4. DRILLING

Sugec Resources planned to complete diamond drilling at the Elsinore Prospect but it was never completed due to lack of water during drought conditions (Robertson, 2014).

#### 10.5. OPPORTUNITIES & RECOMMENDATIONS

There has been very little exploration completed within EL9004 but the Elsinore Prospect remains untested despite coincident anomalous geochemical and geophysical responses. In Geos Mining's opinion, this remains as the best target for drilling, although we recommend that, prior to drilling, check sampling and geological mapping is carried out to verify the mineralisation extent and orientation.

We recommend that details of the Sovereign Gold IP survey be obtained and reviewed, if available. According to Robertson, 2014, the 2013 EL7768 Geophysical Report was submitted to the Senior Geophysicist of the NSW Geological Survey. However, a search of the DIGS database did not locate the report. Additional IP surveying may be necessary prior to any drilling to determine the extent of the chargeable response.

In the western part of EL9004, the Laura Creek molybdenum deposits are associated with felsic porphyry dykes and monzogranites. Very little information is available for these deposits.

## 11. Tea Tree Project (EL9084)

### 11.1. MINING HISTORY

The NSW mineral occurrence database records a total of 18 historical quartz reef gold workings and three alluvial gold deposits within the area covered by EL9084 (Table 20 and Figure 54). All of the workings are described as “small” or “occurrences”, and only a few have recorded production figures. Brown, et al., 1992, reported production from the Pioneer Reef totalled 63kg of gold from 1,682kg of ore (average >35g/t Au).

Deposit	Workings	Depth (m)	Comments
<b>Black Mtn Reef</b>	UG, shafts, shallow pits	30	Numerous quartz veins in phyllite and lithic wacke. Veins up to 20 cm wide. Carbonate and quartz in approximately equal proportions.
<b>Black Prince Reef</b>	UG, shafts, shallow pits	7	Some post ore shearing along joints. workings on vein trending 332 deg, subvertical. Assays of quartz veins returned 13.3-66.5ppm Au, 2-17ppm Ag (NSW Government Spatial Services, 2020).
<b>Dyson's Reef</b>	UG, Open cut, shafts, shallow pits	40	Line of collapsed workings follow strike of quartz-carbonate vein. Separate episodes of quartz & calcite emplacement. Minor pyrite found in quartz. Quartz locally vughy. Vein probably up to 10-20cm wide. No outcrop in workings.
<b>Italian Gully</b>	Shallow pits	3	Pits along spur for 50m. Dumps comprise sediments, minor vein quartz (rarely pyritic), and rare calcite. Veins up to 8 cm thick.
<b>Opossum Gully</b>	Shallow pits	2	Numerous shallow pits developed on quartz-carbonate vein(s). No outcrop in pits. Some quartz is vughy and locally contains iron oxides as vugh and joint fills. Gully at foot of hill has probable old alluvial workings extending 200m downstream.
<b>Pioneer Reef</b>	UG, shafts, shallow pits	47	Major, infilled shafts and numerous pits along carbonate-quartz vein. This is the largest working on this vein. Abundant quartz and calcite vein material up to 20cm thick in lithic wacke.
<b>Readings Reef</b>	UG, shafts, shallow pits	43	Shear zone up to 4 m wide with vein or bifurcating quartz and calcite veins. Possible arsenopyrite recorded historically. Elongate over 235m in shear zone. Reef width up to 1m.
<b>Readings Reef South</b>	Adits, shallow pits	1	Scattered pits along flanks and bottom of gully. Probable narrow quartz-carbonate veins shedding minor gold.
<b>Shamrock Reef</b>	UG, shafts, shallow pits	3	Numerous infilled pits and probably one shaft on quartz-carbonate veins. Pyrite is visible rarely in country rock adhering to quartz. Lumps of vein material to 30cm thick.
<b>Unnamed</b>	Shallow pits	2	Shallow trench along arcuate vein. No carbonate, abundant, sparsely vughy, rarely pyritic quartz.

Deposit	Workings	Depth (m)	Comments
Unnamed	UG, shafts, adits		Two separate sets of workings found (50m to WNW and ESE of given location).
Unnamed	UG, shafts, shallow pits	10	Two lines of pits with shafts at intersection. Abundant quartz, some with trains and small bungs of fine pyrite. Pyrite also as disseminations & joint fills in host rock. Minor quartz lined vughs in quartz.
Unnamed	Shallow pits	1.5	Numerous shallow pits on narrow (<2cm) quartz veins.
Unnamed	Shallow pits		Ploughed paddock. Float of calcite and subordinate laminated, vughy quartz in pieces up to 10cm thick. Minor pyrite and Fe oxides with quartz and calcite. Orientation of vein(s) not discernible.
Unnamed	UG, shafts, shallow pits	7	Workings developed on carbonate veined green, aphanitic rock with Feldspar fragments. Minor pyrite aggregates in host rock.
Unnamed	Open cut, shallow pits	2	Orientation of trenches and pits along gully at angle to regional strike suggest fault control of veins. No outcrop visible. An ore dump is located S of workings on ridge. Ferruginous metasediment returned 3400ppm As and 0.96ppm Au; vein quartz returned 652ppm As and 0.6ppm Au (NSW Government Spatial Services, 2020).
Teatree Creek Deep Lead	UG, open cut, dredging and/or sluicing, shafts, shallow pits		Small workings, may only be exploratory. Deposit developed about margins of hill capped by basalt.
Teatree Creek Gold	Shallow pits	3	Very extensive, heavily worked alluvial deposit, comprising infilled pits and possible shafts. Workings along alluvial flats & some slopes and tributaries.
Red Hill	Open cut		Workings, into clay rich Tertiary sediments, ring a basalt capped hill. It is unclear if a deep lead under the basalt or if alluvials derived from these leads, were worked.

Table 20: Mineral Occurrences within EL9084

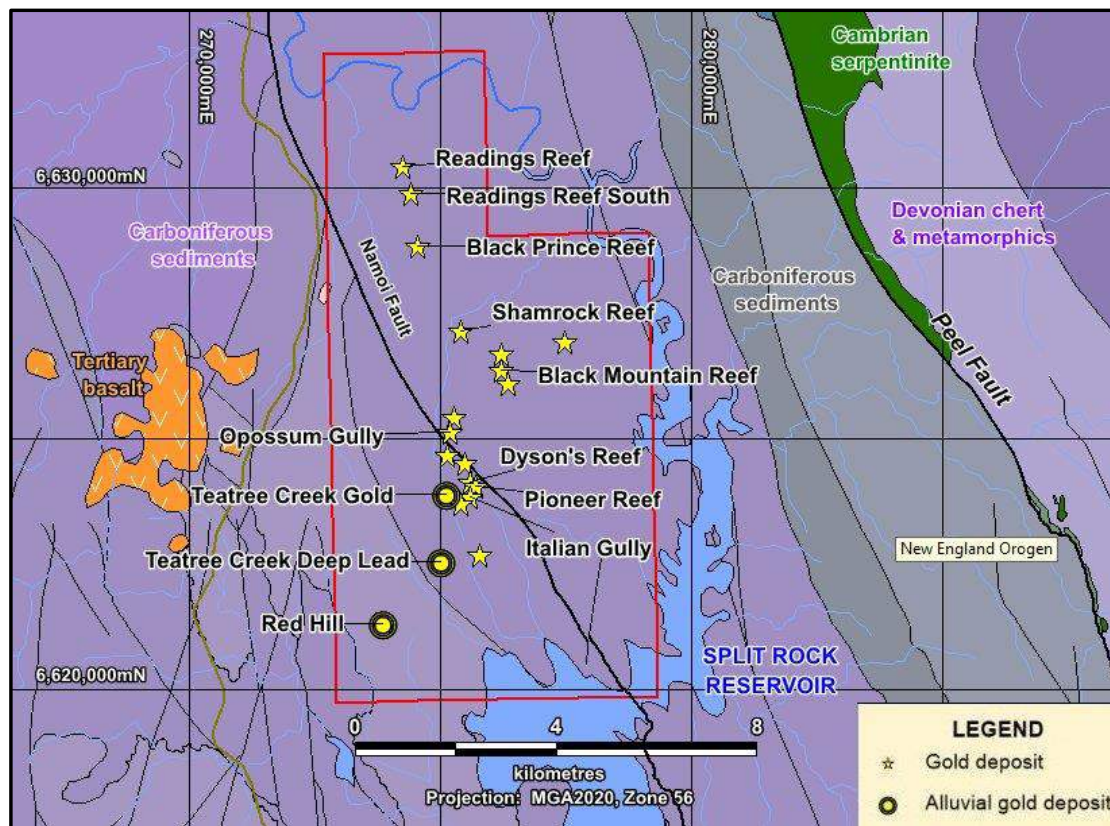


Figure 54: EL9084, Geology and Mineral Deposits

## 11.2. HISTORICAL EXPLORATION

There have been 19 Exploration Licences that have covered parts of EL9084, but work completed within the area of the Lode tenement has been quite limited (Table 21). The most significant work programs were undertaken by Pinnacle Gold (EL7859).

## 11.3. GEOLOGICAL SETTING

The Teatree Creek Goldfield is located within Noumea Beds meta-sediments locally folded into open and upright structures that are cut by regional north-west trending thrusts and less common north-east or east-west cross faults (Figure 54) (Robertson, 2015b). The Namoi Fault passes along the western edge of the Teatree Creek Goldfield, striking parallel to the Peel Fault, dipping steeply to the west.

Tenement	Company	Years	Comments
EL0045	AUSTMINEX NL	1966-1967	Includes only eastern third of EL9084 adjacent to Split Rock Reservoir.
EL0046	AUSTMINEX NL	1966-1967	Includes only eastern third of EL9084 adjacent to Split Rock Reservoir.
EL0189	SERPENTINE MINERALS NL	1969-1971	Includes only eastern 20% of EL9084 adjacent to Split Rock Reservoir.
EL1920	ABIGNANO LIMITED	1982-1985	Mapping, sampling at Readings and Black Mountain Reefs.
EL2136	G ABIGNANO CONS PTY LTD	1983-1990	Prospecting south of Pioneer Reef.
EL3142	DEMITE PTY LIMITED	1988-1990	All work completed at Crow Mountain near the Peel Fault and outside of EL9084.
EL3990	GB BRINK, D SMITH, AJ WHITE	1991-1995	Small EL covering Black Mountain. See comments below for EL3991.
EL3991	GB BRINK	1991-1995	Discussion of Black Mountain and Pioneer Reef. Trenching and mapping at Tea Tree for alluvial wash; no results listed.
EL3992	GB BRINK, D SMITH, AJ WHITE	1991-1993	On margin of EL9084 only.
EL4636	MOGUL MINING NL	1994-1996	No work done.
EL4901	UNIVERSAL SERVICES GROUP PTY LTD	1995-1997	No work reported.
EL5551	RIMFIRE PACIFIC MINING N.L.	1999-2004	Tea Tree - MMI orientation soil sampling. Main area is to the east of EL9084.
EL6471	DINGO RESOURCES PTY LIMITED	2005-2007	No reports
EL7148	IRONBARK ZINC LIMITED	2008-2011	Work focussed on Mn deposit outside EL9084.
EL7725	PEEL GOLD PTY LTD	2011-2015	Abuts northern edge of EL9084 only.
EL7859	PINNACLE GOLD PTY LTD	2011-2013	Geochemical sampling, 2 RC drillholes at Shamrock Prospect; best result 2m @ 6.32g/t Au from 35m (Grayson, 2013).
EL7867	PINNACLE GOLD PTY LTD	2011-2013	Abuts northern edge of EL9084 only.
EL8227	PEEL GOLD PTY LTD	2014-2015	Reconnaissance only.
EL8277	PEEL GOLD PTY LTD	2014-2015	Examination of historical workings.

Table 21: Previous Exploration Licences within area of EL9084

To the west of the Peel Fault, Middle Devonian to Carboniferous marine shelf sediments intercalated with volcanoclastics shed from a western volcanic source and limestone reefs. The Early Carboniferous Namoi Formation (Parry Group) occurs adjacent to the Peel Fault. The Namoi Formation is comprised of isoclinally folded, steeply dipping, cleaved and rhythmically graded mudstone and siltstone with local sandstone and conglomerate. Devonian aged formations assigned to the Parry and Tamworth Groups occur to the west of the Namoi Formation.

There are two north-west trending, parallel lines of deposits 1.5km apart, together with scattered individual vein, alluvial, and deep lead deposits. Gold is associated with pyrite in friable subvertical narrow quartz reefs in shear zones associated with brecciation (Robertson, 2015c).

#### 11.4. DEPOSIT TYPE AND STYLE

The style and form of individual workings was described in Robertson, 2015c, and some relevant comments are included below:

- Readings Reef - a narrow vertical tabular 'vein' / 'lode' / 'reef'
- Readings Reef South - a very small alluvial gold occurrence with very minor production indicating that bedrock gold source (the shear zone that also hosts Readings Reef) has strike extent of at least 0.5km
- Black Prince Reef - a very narrow vertical tabular 'vein'
- Shamrock Reef - a 4m wide zone with thin quartz- carbonate veins with gold contents that were enhanced due to surficial enrichment, easy-to-dig nature and historic low cost labour in oxidised zone
- Black Mountain Reef, Opossum Gully, Dysons Reef, Pioneer Reef, Italian Gully, Teatree Gully - gold production was economic historically at shallow depth due to surficial enrichment and easy-to-dig nature of weathered oxidised mineralisation
- Teatree Creek – Red Hill - three deep lead type gold occurrences located on SW, S and SE margin of a Tertiary basaltic volcanic cap. Deep lead mining was economic historically due to low cost labour.

Specific Gold, 1995, noted that one shaft at Black Mountain was "probably amenable to cleaning out and rehabilitating allowing access to at least some of the stopes, drives and winzes for mapping and sampling purposes". It was also commented that one of the deep shafts in the southern alluvial area "consisted of sandy clay with bands of grit and gravel. The bottom of the shaft appeared to have been reamed out into a wide circle, up to 1.5m high and with drives radiating out".

Rimfire Pacific Mining NL, 2000, noted that the Tea Tree workings are hosted by the Noumea Beds (now referred to as the Baldwin Formation) and are oriented along the northwest-trending Namoi Fault ( Rimfire Pacific Mining NL, 2000).

Brown, et al., 1992, noted the absence of obvious local granitic source rocks for the quartz-carbonate vein-hosted gold mineralisation. They classified the deposits as mesothermal and speculated that a significant proportion of the vein material was derived from the calcareous strata of the Tamworth Belt. Similarities with auriferous vein deposits developed along the Peel Fault System, and localisation of deposits along the regional-scale Namoi Fault, adds weight to the mesothermal style of mineralisation, with major structures providing channel ways for auriferous hydrothermal fluids.

#### 11.5. GEOCHEMISTRY

In the GSNSW geochemistry database, only 12 stream sediment samples have been recorded from within the area of EL9084. None of these returned significant assay results.

Abignano (EL1920) and Brink (EL1991) conducted surface geochemical sampling over parts of the Tea Tree Gold Field but failed to define significant anomalies.

Pinnacle Gold (EL7859) collected 93 rock chip samples from within the area of EL9084. Assay results ranged up to 152ppm Au, 22.5ppm Ag and >1% As. Most of the samples were collected from historical workings,

so they are likely to have been selective samples of visible mineralisation and not representative of the entire deposit.

## 11.6. GEOPHYSICS

The GSNSW Peel South Exploration program covered the EL9084 area with regional scale airborne magnetics and radiometrics (Brown, 2003). The image of the TMI-RTP data (Figure 55) shows the close association of gold deposits to extensive magnetic linears.

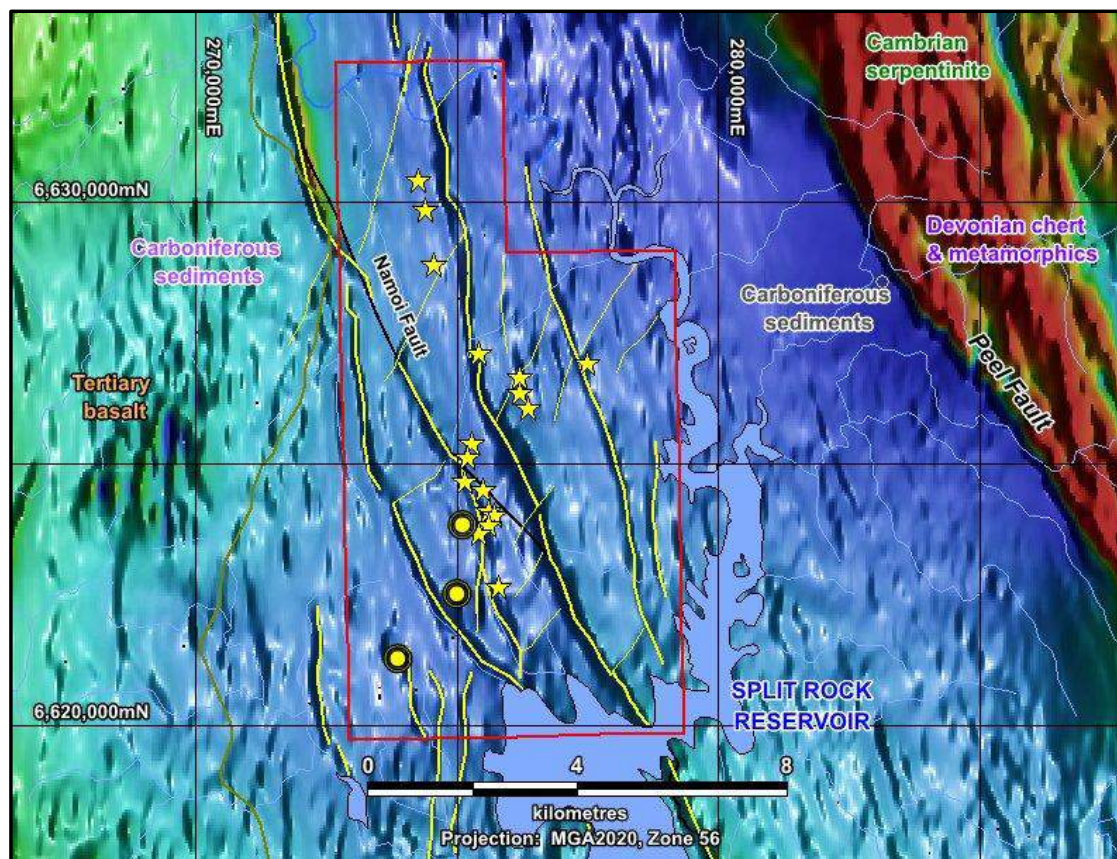


Figure 55: EL9084, Peel South program TMI-RTP, magnetic linears

## 11.7. DRILLING

According to the GSNSW Minview database, Specific Gold (G. Brink, EL3991) drilled two RAB drillholes and four diamond drillholes at the Tea Tree Creek Gold deposit. However, the collar locations for all six drillholes are the same and details of the drilling were not recorded in the EL3991 Annual Reports.

Pinnacle Gold drilled two Reverse Circulation drillholes (totalling 123m) to test down dip of the Shamrock Reef workings. The best result was reported from hole SHM01: 2m @ 6.32 g/t Au and 5,670ppm As from 35m in a quartz-calcite vein (Figure 56) (Grayson, 2013). The scissor drillhole, SHM02 did not intersect the vein and all other sample intervals assayed <0.1 g/t Au.

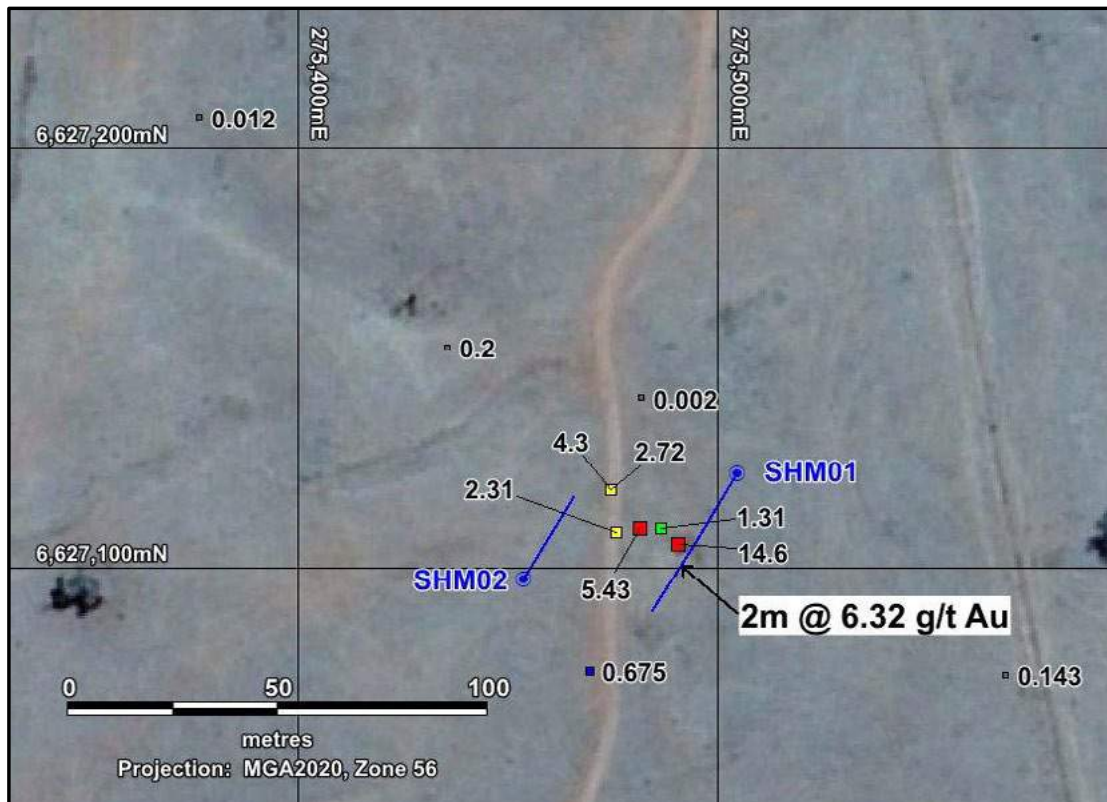


Figure 56: Shamrock Prospect RC drilling & rock chip gold assays

## 11.8. OPPORTUNITIES & RECOMMENDATIONS

The Tea Tree Project comprises several small mesothermal gold occurrences that are structurally controlled and related to the Namoi Fault and a N-trending magnetic linear to the east of the Namoi Fault. Historical gold production has been limited but the very high gold grades would have been attractive to historical miners. The lack of virtually any drilling presents an opportunity for Lode to test below the extent of the historical mining, which probably targeted supergene enrichment at the base of complete oxidation (BOCO). The potential for auriferous mineralisation hosted by quartz-sulphide veins below the BOCO is quite good along the interpreted structural corridor.

## 12. Thor Project (EL9085)

### 12.1. MINING HISTORY

The NSW mineral occurrence database records a total of six historical workings within the area covered by EL9085 (Table 22 and Figure 57).

Deposit	Commodity	Workings	Comments
Unnamed	Au	Alluvial	Small alluvial workings in creek.
Unnamed	Au	UG	Shaft at the edge of alluvium.
Unnamed	Au	Alluvial	Alluvial gold intermittently recovered by locals.
Old Willaroi Creek Alluvials	Au	Shallow pits	Historical records and presence of old cradle and gold pan on creek bank suggest gold was won from main creek and tributary. Gold possibly derived from conglomerates. Production 1891-1931. Diamonds also recovered in the Maules Creek area.
Unnamed	Au	Pits	Small pit on quartz vein.
Unnamed	Mag	UG	Magnetite body with shaft.

Table 22: Mineral Occurrences within EL9085

### 12.2. EXPLORATION HISTORY

There have been eight Exploration Licences that have covered parts of EL9085 but work completed within the Lode tenement is quite limited (Table 23). Exploration completed by Pinnacle Gold (EL7868) is the only significant exploration completed.

Tenement	Company	Years	COMMENTS
EL0343	HARRINGTON, H J	1970-1971	Covers southern 20% only. Extensive geological mapping discussion.
EL0457	AUDIMCO LIMITED	1971-1972	Diamond exploration.
EL2829	CRA EXPLORATION PTY LTD	1987-1988	Almost entirely outside of EL9085.
EL4179	ALPHADALE PTY LIMITED	1992-1994	Almost entirely outside of EL9085.
EL4786	ALPHADALE PTY LIMITED / WERRIE GOLD	1995-1997	Most work outside of EL9085. Two magnetite occurrences noted.
EL6457	SUNMUSTARD PTY LTD	2005-2007	Almost entirely outside of EL9085.
EL7860	PINNACLE GOLD PTY LTD	2011-2012	Almost entirely outside of EL9085.
EL7868	PINNACLE GOLD PTY LTD	2011-2013	Prospecting, limited stream sediment sampling.

Table 23: Previous Exploration within EL9085

### 12.3. GEOLOGICAL SETTING

EL9085 occurs within Carboniferous sediments and pyroclastics of the Tamworth Belt (Figure 57).

The most obvious structural feature within EL9085 is the Rocky Creek Syncline and a smaller anticline located on the western edge of the syncline (Figure 57, Figure 58). Along the faulted axis of the syncline are fluvioglacial to glacial sediments, piedmont conglomerates and ash flow tuffs of the Carboniferous Rocky Creek Conglomerate. These overlie coarser fluvial sandstones and conglomerates with airfall tuffs of the Clifden Formation that occupies much of the syncline. In places the fluvial system lies directly on the underlying shelf mudstones of the Namoi Formation and volcaniclastic turbidites of the Luton Formation. The western edge of the Rocky Creek Syncline is upfaulted, and a small faulted anticline occurs between the upfaulted block and syncline proper. The core of the anticline consists of recessive fluvial Caroda Formation surrounded by a rim of more resistant glacial piedmont of the Spion Kop Conglomerate.

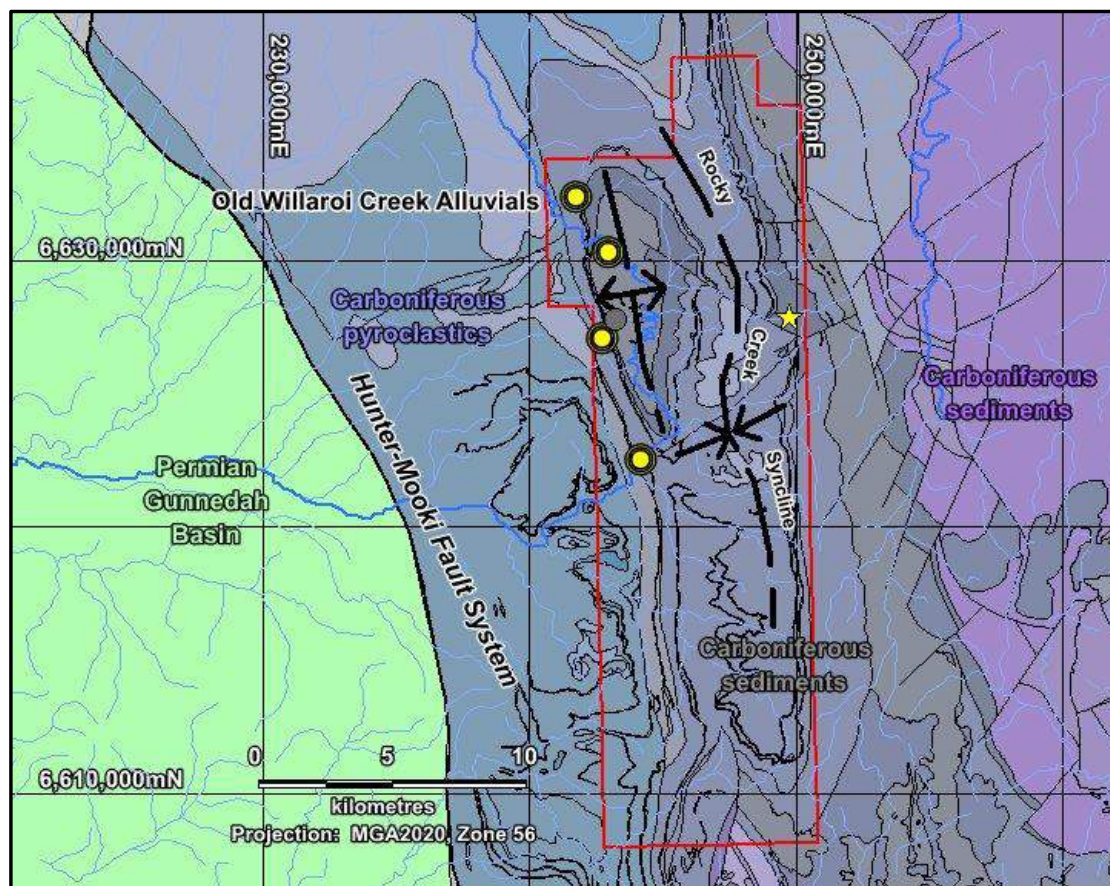


Figure 57: EL9085, Geology and Mineral Deposits

## 12.4. DEPOSIT TYPES

Mineralisation in the area of EL9085 is dominated by alluvial gold deposits near the western boundary and a single hard rock gold deposit near the eastern boundary, which in the GSNSW Minview mineral occurrence database is described as a structurally controlled low sulphide hydrothermal quartz vein gold occurrence.

Grayson, 2013a, reported that the GSNSW database “shows four areas of alluvial workings within the anticline. The easternmost of these is situated within a short valley draining the upper and lower contacts of the Spion Kop Conglomerate, and the Peri Rhyodacite, which forms a sharp ridge. The three western areas all drain the Spion Kop Conglomerate. Given the strong possibility that the Peri Rhyodacite has been unrecognized on the western side of the anticline, either this unit or the conglomerate are the most likely sources for the gold.

Within the syncline the Oakey Creek alluvials occur downstream from a small auriferous quartz vein but also drain the Spion Kop Conglomerate. The alluvials are deposited at a change in slope, where the drainage leaves low hills of coarse fluvial rocks (Caroda Formation) and enters onto a plain of marine mudrock (Namoi Formation).

An alluvial working in Maules Creek is 1.5-2km downstream from outcropping Spion Kop Conglomerate, and also rhyodacite, but could be sourced from nearby hillsides of Clifden Formation.”

Two magnetite occurrences were noted by Werrie Gold. Both are located at or very close to already identified workings (see Table 22) but sampling did not result in any anomalous gold values (Plumridge, 1998).

## 12.5. GEOCHEMISTRY

Pinnacle Gold reported anomalous gold-in-stream sediment BLEG samples from previous exploration by Werrie Gold (EL4786) (data not found in the GSNSW database) and these have been plotted in Figure 58. Some anomalous results coincide with the anticlinal axis of the western anticline (see Section 12.3) but Pinnacle Gold did not reproduce these results from follow up sampling.

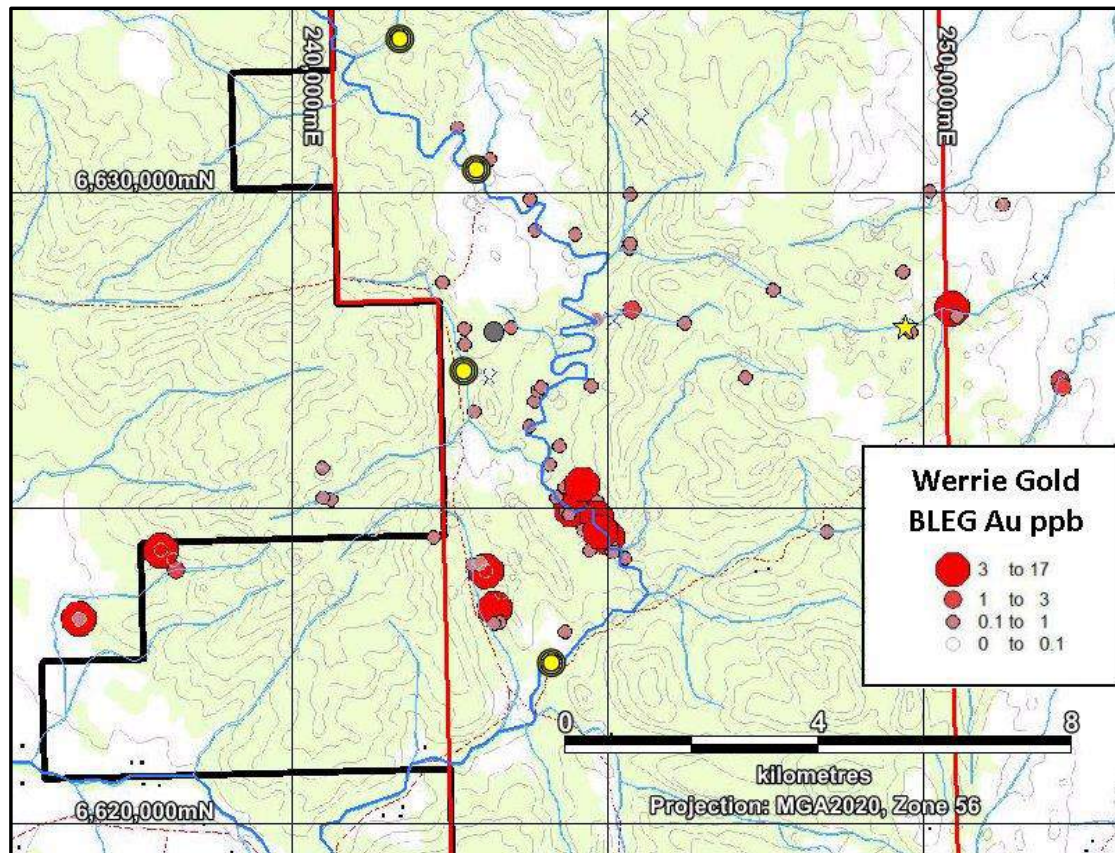


Figure 58: Historical Stream Sediment BLEG sampling, Au ppb

EL9085 = red outline; EL4786 = black outline

## 12.6. GEOPHYSICS

Regional airborne magnetics flown by GSNSW shows the differentiation of the various regional geological units and several possible cross-cutting structures (Figure 59). The significance of these cross-cutting structures has not been determined.

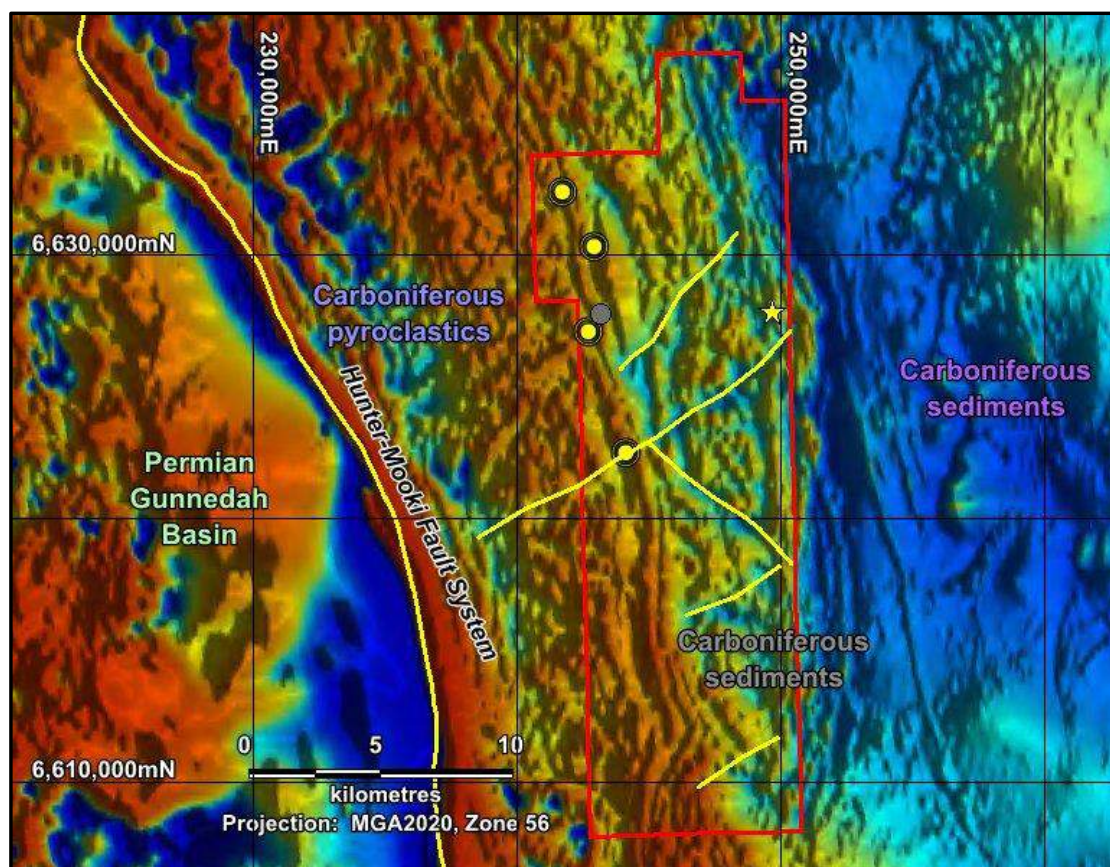


Figure 59: EL9085, Regional TMI-RTP and interpreted structures

## 12.7. DRILLING

There has been no drilling reported from within the area of EL9085.

## 12.8. OPPORTUNITIES

The Thor Project covers a structurally disturbed sequence of Carboniferous sediments and pyroclastics/epiclastics between the Peel and Hunter-Mooki Fault Systems. There are a few scattered indications of gold mineralisation from historical workings, but there has been virtually no exploration completed, apart from known mineralisation prospecting.

Review and re-interpretation of the regional airborne magnetics data may define zones of possible structural disruption that could provide channel ways for mineralising fluids.

The opportunity for Lode Resources lies in this unexplored nature of the tenement and it is recommended that initially a 'boots-on-ground' approach is taken to carefully prospect the areas outside of known

mineral occurrences. Selective geochemical sampling is also recommended once the prospective stratigraphy is identified in areas of structural complexity.

## 13. Uralla West Project (EL9087)

### 13.1. MINING HISTORY

The GSNSW mineral occurrence database records no historical workings within the area covered by EL9087.

### 13.2. EXPLORATION HISTORY

There have been five Exploration Licences that have covered parts of EL9087 (Table 24). Exploration completed by Sugec Resources / Sovereign Gold is the only significant exploration completed.

Tenement	Company	Years	COMMENTS
EL0204	CRA EXPLORATION	1969 - 1970	Targeted tungsten and molybdenum mineralisation with regional geochemistry.
EL0327	GULLIVER, E	1970 - 1972	No exploration within area of EL9087.
EL0570	MINERAL DEPOSITS LTD	1980 - 1982	No exploration within area of EL9087.
EL1496	BROKEN HILL METALS NL	1980 - 1982	Tested alluvial gold potential.
EL7491	SUGEC RESOURCES / SOVEREIGN GOLD	2010 - 2020	Exploration targeting Reduced Intrusion-Related Gold Systems.

Table 24: Previous Exploration within EL9087

### 13.3. GEOLOGICAL SETTING

The area covered by EL9087 lies within the Woolomin-Texas Block of the New England Orogen. Late Devonian-Early Carboniferous Sandon Beds (deep water metasediments) have been intruded by several late Permian to Early Triassic I-type to S-type felsic plutons and dykes (Figure 60).

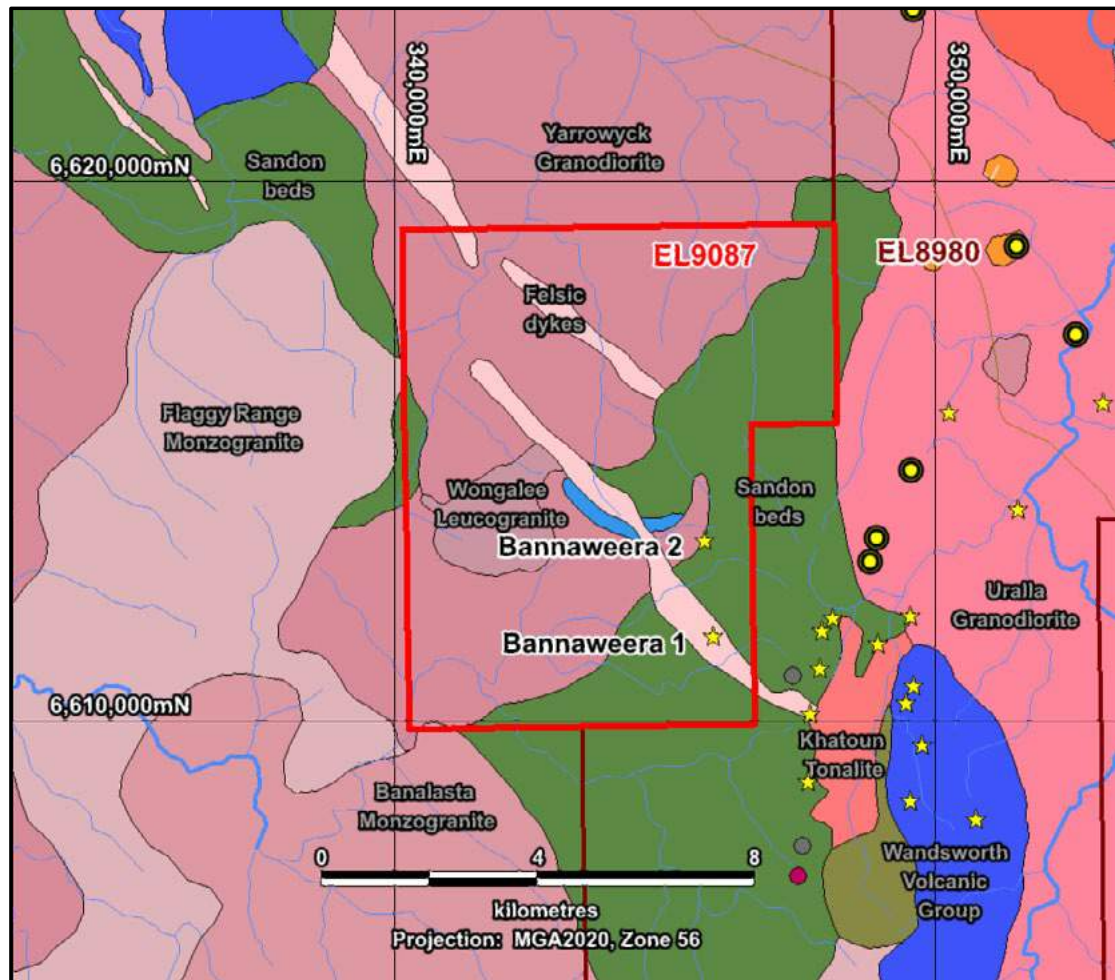


Figure 60: EL9087, Geology and Mineral Deposits

#### 13.4. DEPOSIT TYPES

Exploration programs undertaken by the Sugec Resources / Sovereign Gold joint venture identified two prospect areas, termed the Bannaweera 1 and Bannaweera 2 structures (Figure 60). These prospects were identified from interpretation of airborne magnetics-radiometrics data and further defined by geological mapping and geochemical sampling.

Geological mapping, rock chip sampling and diamond drilling determined that the NE-trending structures resulted in phyllic alteration and brecciation of the host rock (Sandon Bed metasediments and felsic dykes). Gold mineralisation was associated with sheeted veins within the same felsic dyke that hosts the Martin's Shaft prospect in EL8980. Brittle fracturing of this dyke allowed mineralising fluids to permeate through the rock, depositing disseminated gold.

### 13.5. GEOCHEMISTRY

Sovereign Gold collected 36 rock chip samples from outcrops along the NE-trending structure. Assay values ranged from <0.01 to 2.32 ppm Au, 0.1 to >100 ppm Ag, 9 to 22,500 ppm As and 1.5 to 5,410 ppm Sb. Sodium depletion frequently correlated with alteration associated with anomalous gold (Leu & Robertson, 2013b). The sampling method was not reported, but it was probably selective grab samples of mineralised or gossanous material and therefore these values do not necessarily reflect the average grade of the deposit.

Sugec Resources followed up with a 40m x 100m grid soil sampling program (2,300 samples). Assay results defined a broad gold anomaly (>1.5 ppb Au) on the NE side of the felsic dyke that hosts the Martin's Shaft prospect, as well as two small clusters further north (Figure 61). The structure that hosts the Bannaweera 1 prospect also shows up as a distinct NE-trending anomaly in both gold and arsenic soil assays.

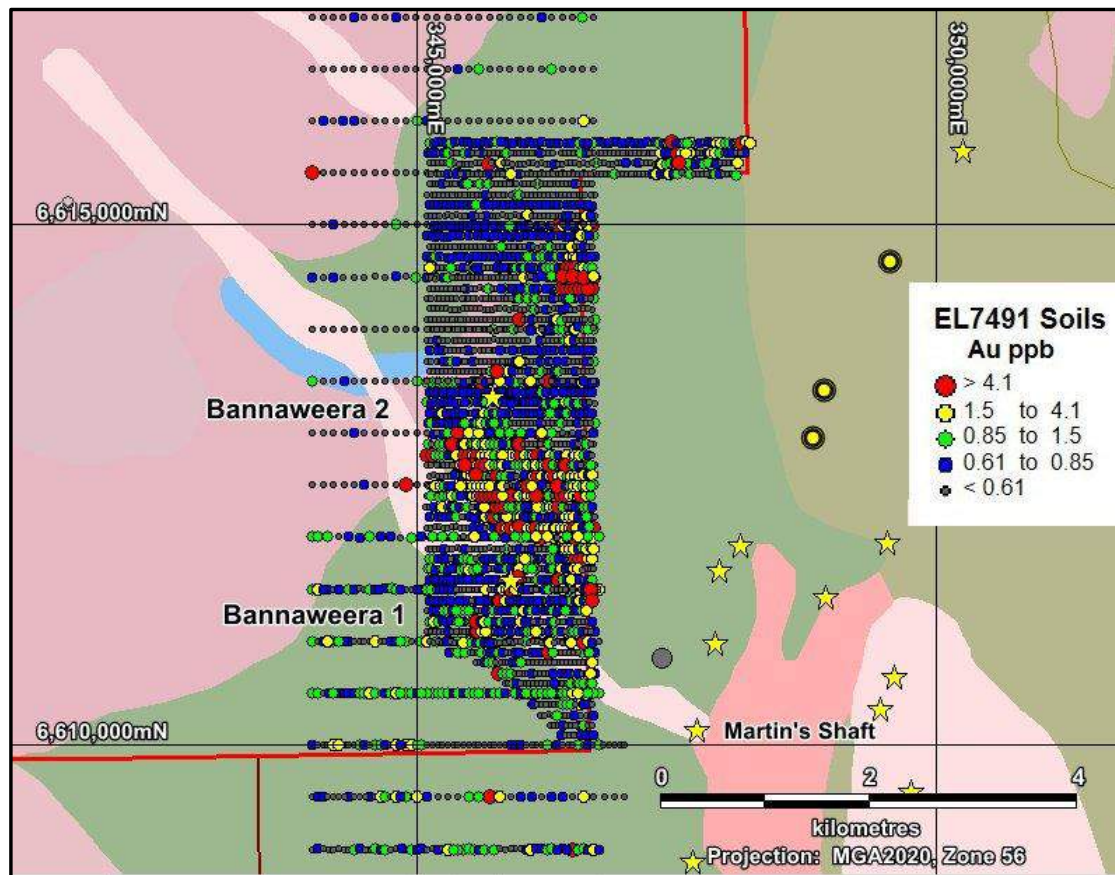


Figure 61: EL9087, soil results from EL7491, Au (ppb)

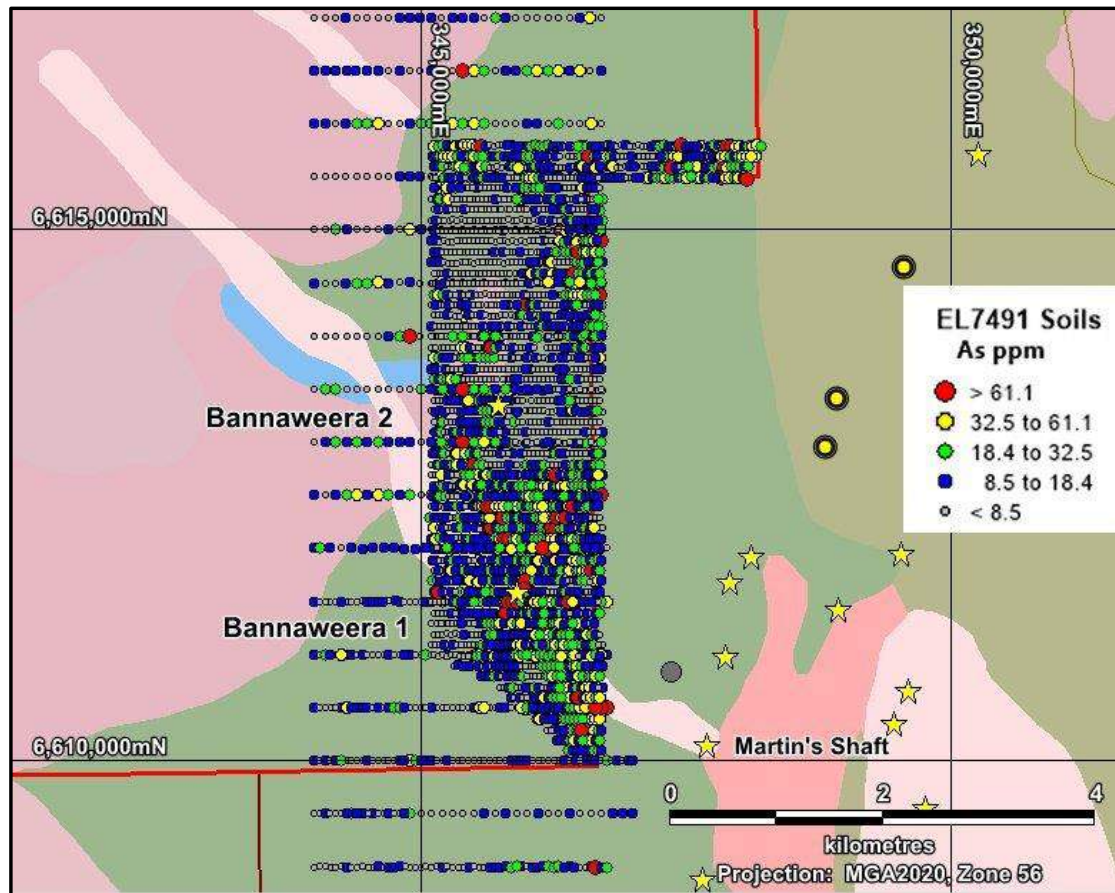


Figure 62: EL9087, soil results from EL7491, As (ppm)

### 13.6. GEOPHYSICS

The Sovereign Gold 2011 aeromagnetic survey covered the eastern half of the EL9087 area (Figure 30). A magnetic high was defined along the southern contact of the NW-trending felsic dyke that hosts the Martin's Shaft prospect in EL8980.

Sugec Resources followed up with a ground magnetics survey in 2013 (Leu & Robertson, 2013b) (Figure 63). This survey confirmed the anomalies from the airborne magnetics.

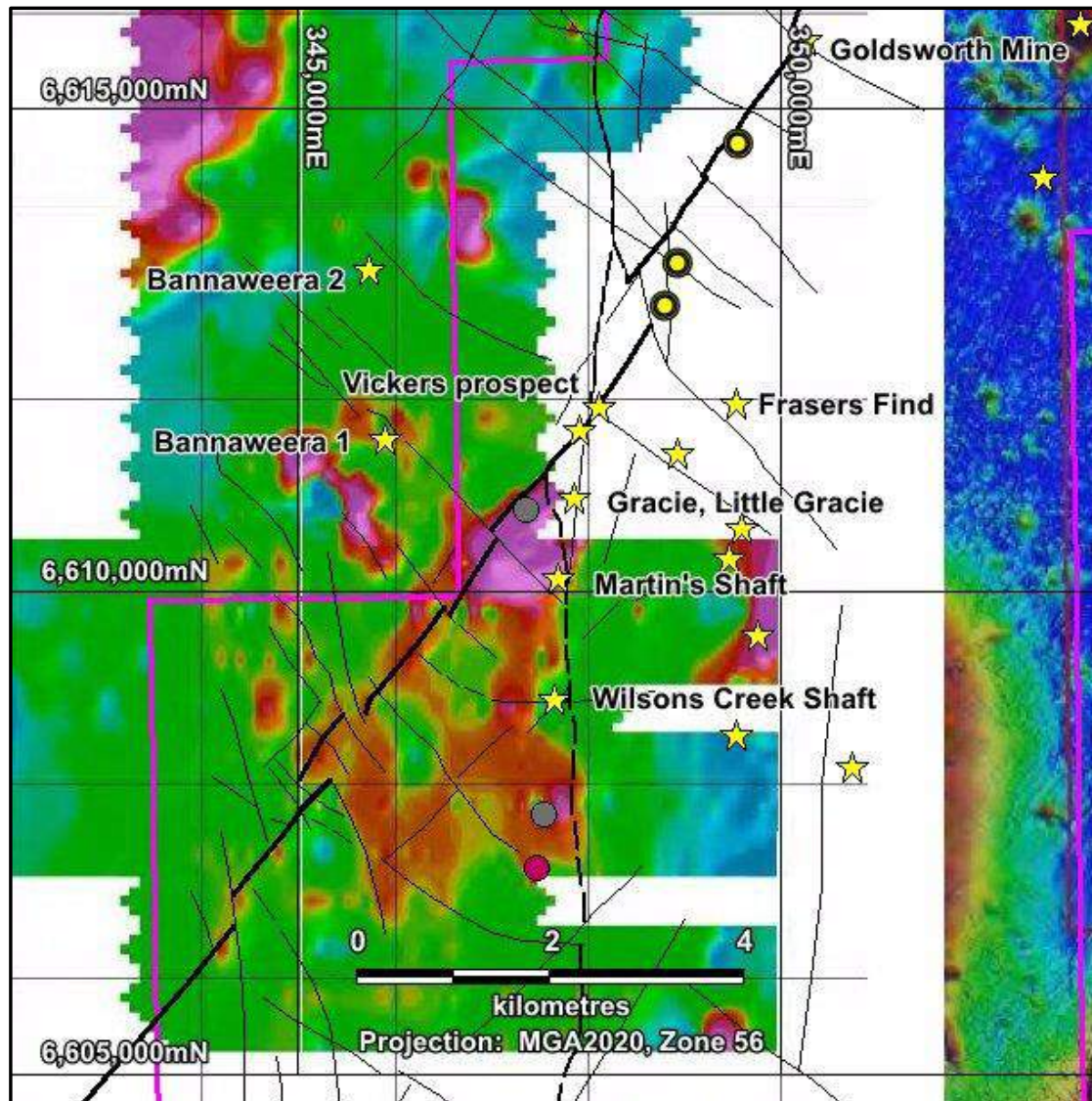


Figure 63: Sugec Resources 2013 ground magnetics

### 13.7. DRILLING

Sovereign Gold completed a program of seven shallow diamond drillholes (totalling 206.9m), using BQ-size core, along the Bannaweera 1 structure in 2013 (Table 25, Figure 64).

Sugec Resources completed a further 18 diamond drillholes in 2013, 13 using HQ core (1,391m) and 3 using BQ core (121.1m) on the Bannaweera 1 prospect and 2 using HQ core (257.9m) on the Bannaweera 2 prospect.

The drilling was close-spaced, on average around 30m on the main part of the Bannaweera 1 zone, and, with short lengths, did not test much stratigraphy.

HOLE_ID	DRILL_TYPE	E_MGA94	N_MGA94	RL	Azim	Dip	Length (m)
SGRDD036	DD-BQ	345937	6611550	993	100	-60	20.2
SGRDD037	DD-BQ	345952	6611577	994	105	-60	16.9
SGRDD038	DD-BQ	345938	6611587	992	105	-70	45.3
SGRDD039	DD-BQ	345848	6611426	983	100	-60	18.1
SGRDD043	DD-BQ	345836	6611429	981	98	-60	52.5
SGRDD044	DD-BQ	345984	6611628	995	100	-70	31.6
SGRDD045	DD-BQ	346490	6612619	994	100	-70	22.3
ZK0001	DD-HQ	345907	6611565	990	116.5	-75	150.4
ZK0003	DD-HQ	345896	6611570	989	116.5	-75	146.3
ZK0005	DD-HQ	345861	6611588	987	116.5	-75	220.1
ZK0301	DD-HQ	345856	6611479	992	116.5	-60	54
ZK0701	DD-HQ	345819	6611403	979	116.5	-60	33.9
ZK0703	DD-HQ	345769	6611409	971	116.5	-75	204.5
ZK0303	DD-HQ	345838	6611487	983	116.5	-75	141.1
ZK0401	DD-HQ	345956	6611646	993	116.5	-75	159
ZK0801	DD-HQ	346003	6611736	1002	116.5	-75	128
ZK0901	DD-HQ	345788	6611359	974	116.5	-70	33.6
ZK1101	DD-HQ	345763	6611301	968	116.5	-60	52.7
ZK1201	DD-HQ	346079	6611813	1006	116.5	-70	21.6
ZK1001	DD-HQ	346056	6611768	1006	116.5	-70	45.8
ZK3201	DD-BQ	346343	6612271	1001	116.5	-70	32
ZK3801	DD-BQ	346395	6612404	1005	116.5	-70	44.3
ZK4801	DD-BQ	346484	6612624	1002	116.5	-70	44.8
ZK20001	DD-HQ	345554	6613042	1006	125	-75	145.5
ZK23001	DD-HQ	345958	6613673	1006	125	-75	112.4

Table 25: Diamond drilling at Bannaweera Prospect by Sovereign Gold &amp; Sugec Resources

The drill core intersected narrow zones of alteration and quartz veining in metasediments and porphyritic felsic dykes. Lithological data was not provided in data files available from the NSW Government database (DIGS). This information has been sought from former Sovereign Gold personnel, but without success as at the date of this report.

Assay results showed several zones of low to moderate gold grades. Significant intervals, at 0.5 g/t Au cut-off, are presented in Table 26.

HOLE_ID	From	To	Interval	Au g/t	Ag g/t
SGRDD036	7.0	11.85	4.85	2.75	0.5
SGRDD038	37.0	40.0	3.0	1.21	0.7
SGRDD039	4.0	13.85	9.85	1.26	13.8
SGRDD043	31.0	33.0	2.0	2.01	4.2
ZK0001	79.5	81.5	2.0	0.90	0.5
ZK0001	91.0	96.0	5.0	1.56	0.4
ZK0003	101.85	110.8	8.95	0.80	0.8
ZK0301	43.77	47.2	3.43	1.68	0.3
ZK0303	172.6	175.6	3.0	0.56	0.4
ZK0701	13.79	27.69	13.9	1.45	11.9
ZK0703	185.6	188.8	3.2	1.17	2.7
ZK0901	14.62	20.1	5.48	1.24	54.3
ZK23001	9.15	11.73	2.58	0.87	0.3
ZK3201	14.79	17.8	3.01	0.61	0.3

Table 26: Significant assay intervals from Bannaweera Prospect drilling

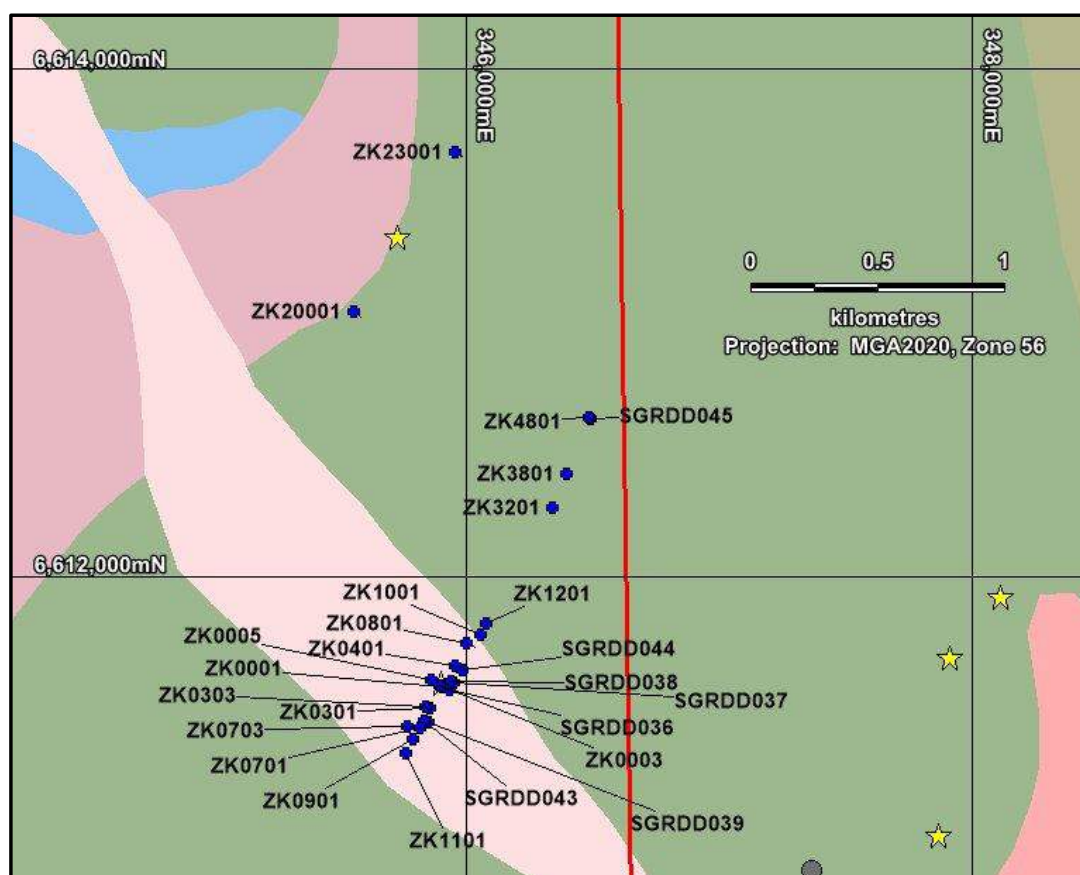


Figure 64: Diamond drilling at Bannaweera Prospect by Sovereign Gold &amp; Sugec Resources

### 13.8. OPPORTUNITIES

The exploration programs completed over the Bannaweera Prospect have detected significant gold mineralisation. The drilling programs have intersected substantial mineralised zones but have not fully tested the anomalous zones.

The mineralisation includes disseminated sulphides, so further work should include IP surveys to delineate the alteration / mineralisation zones prior to deeper drilling.

## 14. Conclusions

The Lode Resources tenements contain many different styles of mineralisation, but almost all of the significant prospects are associated with structural controls resulting in small-medium tonnage, high grade potential. However, if these prospects are surface expressions of IRGS systems at depth, then bulk tonnage targets may be worth pursuing.

All tenements warrant further exploration programs, including drilling.

In our opinion, the more significant projects that have been defined at this stage are:

- Webbs Consols (EL8933, silver, zinc, lead)
- Lucky Lucy (EL8933, silver, zinc, lead)
- Hudson's prospect (EL8980, gold)
- Martin's Shaft (EL8980, gold)
- McCrossin's (EL8980, gold-?copper)
- Trough Gully (EL9003, copper, gold)
- Bannaweera (EL9087, gold, silver)

All of these prospects warrant drilling, based on information already at hand. However, some additional work, especially IP surveys and grid based soil geochemistry utilising a portable XRF analyser followed up with RAB drilling, may be worthwhile to better define the targets prior to drilling.

Other prospects worthy of detailed exploration (IP surveys, geological mapping, geochemical sampling) include:

- Elsinore (EL9004, gold, copper)
- Kasey (EL9003, copper)
- Goldsworth (EL8980, gold)
- Tangoa & Tangoa West (EL8933, silver, lead, zinc, gold)

## 15. Proposed Exploration Programs

Lode Resources has proposed two scenarios for Exploration Programs and Budgets:

- Scenario 1: Minimum Subscription totalling \$5.0M
- Scenario 2: Maximum Subscription totalling \$7.5M

Proposed expenditure for the first two years under the two scenarios is summarised in Table 27.

Project	Program	Scenario 1		Scenario 2	
		Year 1 (A\$)	Year 2 (A\$)	Year 1 (A\$)	Year 2 (A\$)
<b>EL8933 - Webbs Consol</b>	IP geophysics	13,300	0	13,300	0
	Drilling	227,900	321,600	333,800	422,900
<b>EL8980 – Uralla &amp; EL9087 – Uralla West</b>	Soil sampling, mapping	6,600	0	31,500	0
	IP geophysics <sup>7</sup>	13,300	0	13,300	0
	RAB drilling	82,000	0	82,000	0
	Diamond drilling	230,900	322,400	322,400	423,800
<b>EL9003 - Fender</b>	Trough Gully drilling	229,400	321,600	334,900	422,800
<b>EL9004 - Elsinore</b>	Geochemical sampling	26,500	0	26,500	0
	IP geophysics	0	28,400	20,000	0
	Diamond drilling	0	0	0	328,900
<b>EL9084 - Tea Tree</b>	Geochemical sampling	35,300	0	26,500	0
	Geophysics	0	20,000	20,000	0
	Diamond drilling	0	0	0	328,900
<b>EL9085 - Thor</b>	Geochemical sampling	36,800	0	38,000	0
	Geophysics	0	20,000	20,000	0
	Diamond drilling	0	0	0	328,900
<b>Miscellaneous</b>	Personnel, administration, equipment	278,000	228,800	510,300	391,900
<b>Contingency 15%</b>		177,000	189,400	270,400	397,200
	<b>TOTAL EXPLORATION PROGRAM</b>	<b>\$1,357,000</b>	<b>\$1,452,200</b>	<b>\$2,072,900</b>	<b>\$3,045,300</b>

Table 27: Summary Exploration Programs & Budgets

In Geos Mining's opinion, the proposed program and expenditure levels appear reasonable for the current state of knowledge of the projects.

<sup>7</sup> IP programs have already been conducted over four prospects within EL8980

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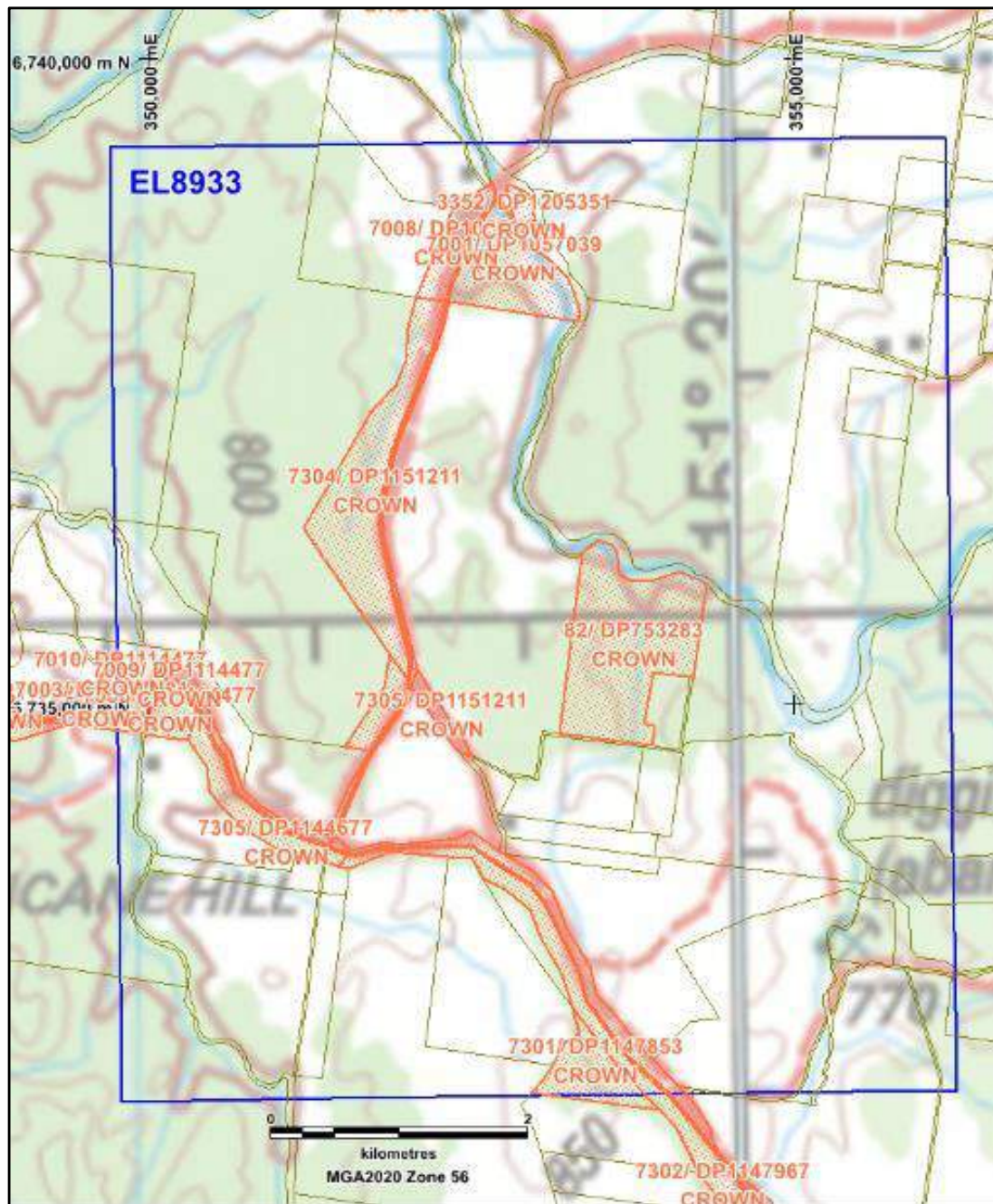
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## Appendix 1 – Land Tenure Maps



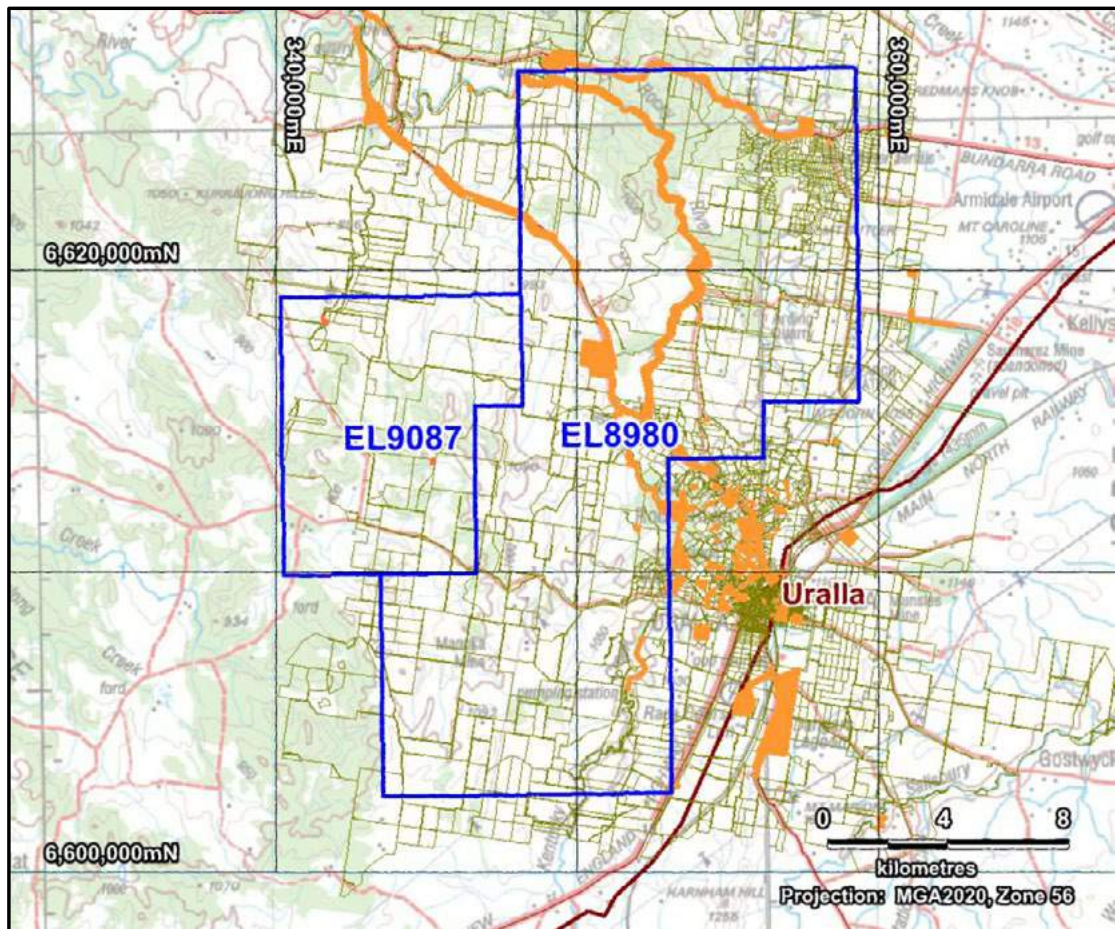


Figure 66: EL8980 & EL9087, Cadastral lots & Crown Land Distribution (orange polygons)

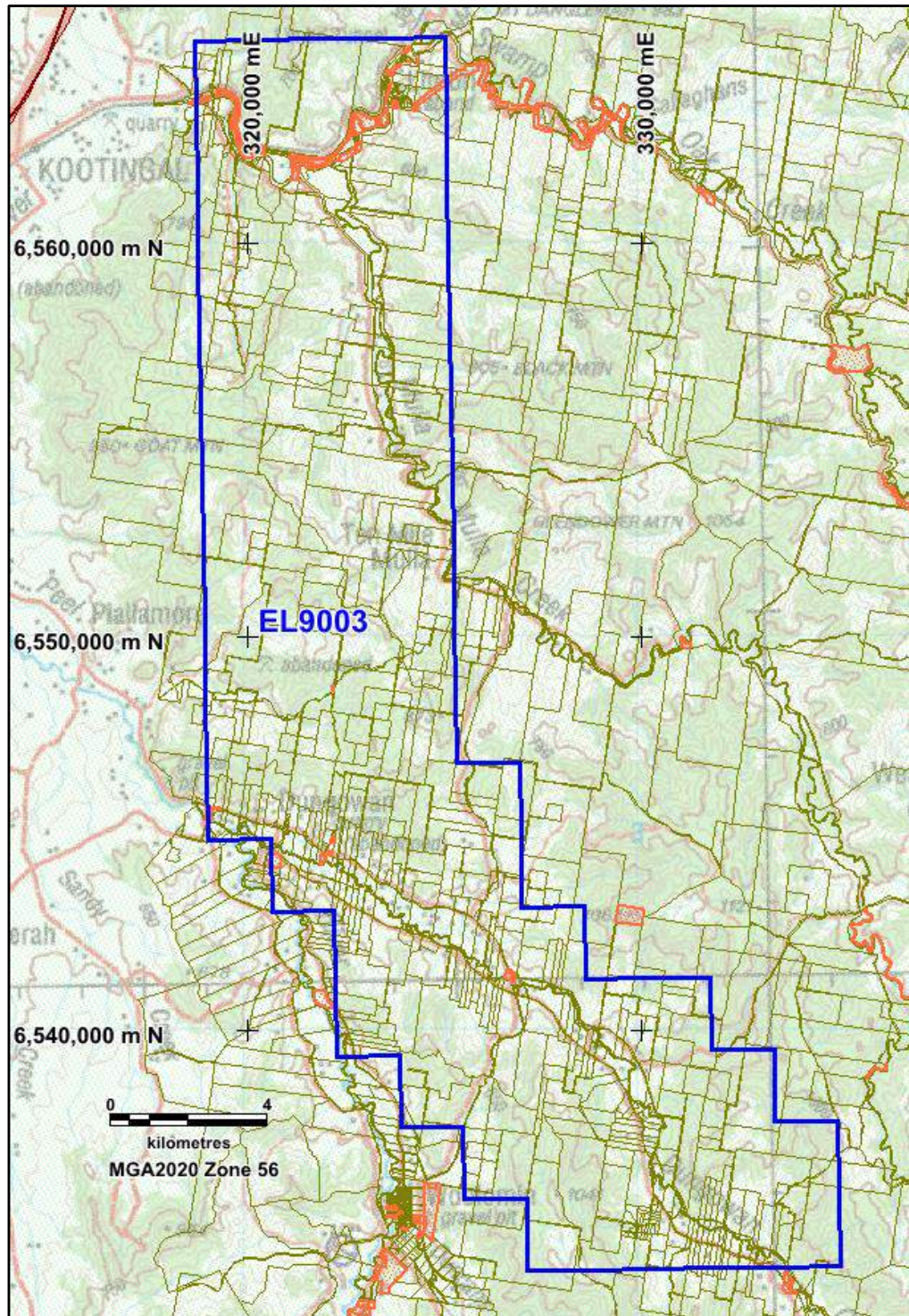


Figure 67: EL9003, Crown Land Distribution (orange polygons)

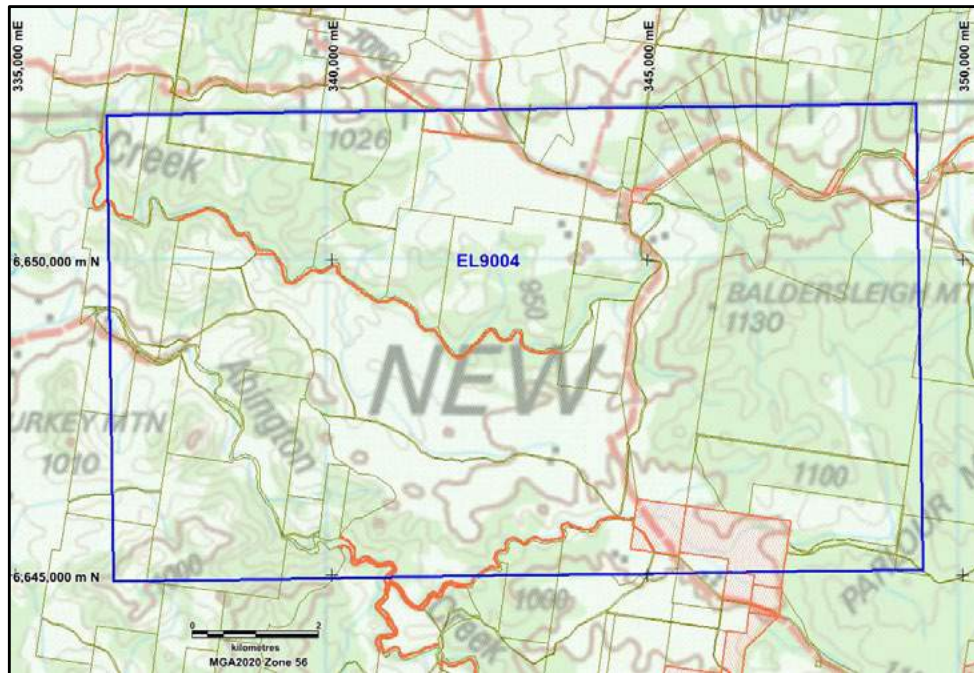


Figure 68: EL9004, Crown Land Distribution (orange polygons)

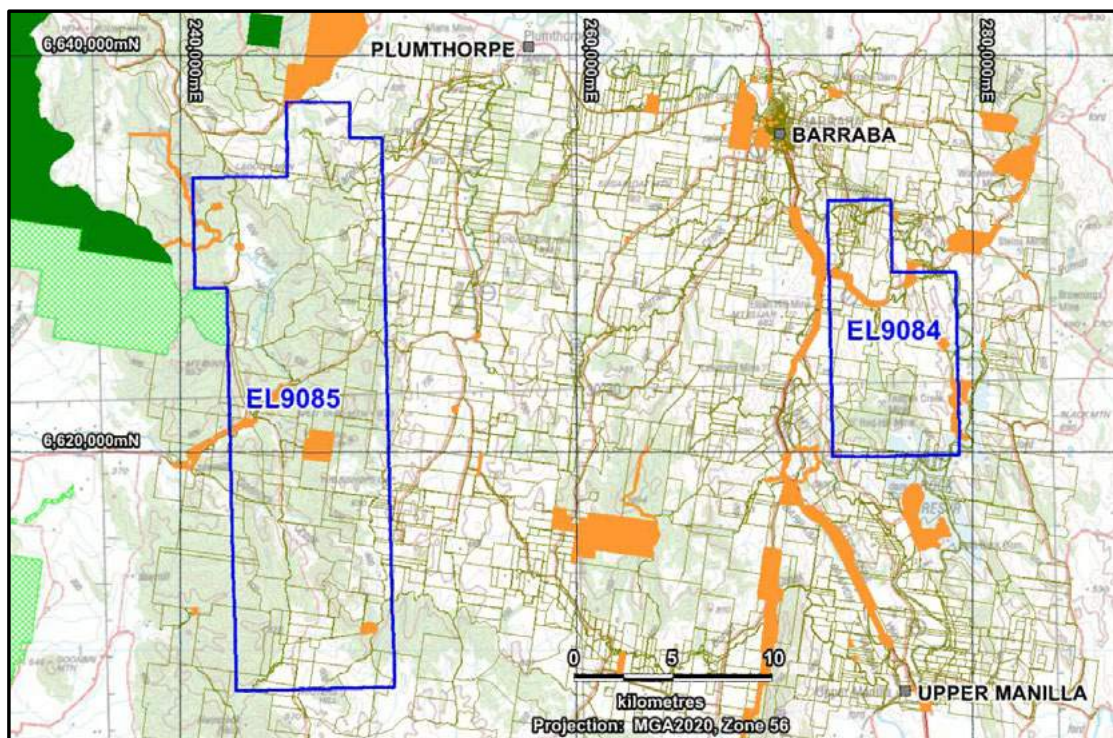


Figure 69: EL9084 &amp; EL9085, Crown Land Distribution (orange polygons)

National Parks – solid green; State Forests – green hatch

## Appendix 2 - Native Title & Indigenous Heritage Sites

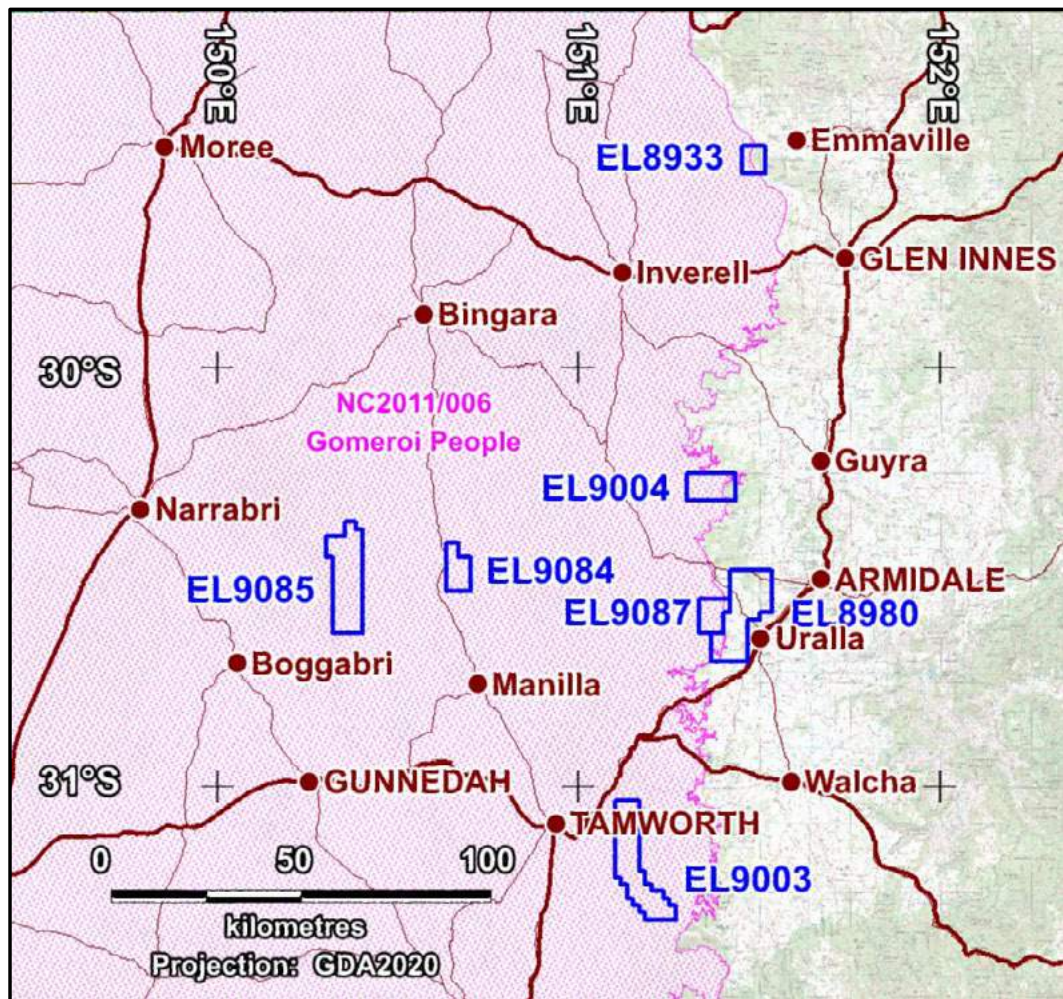


Figure 70: Lode ELs, Native Title Status

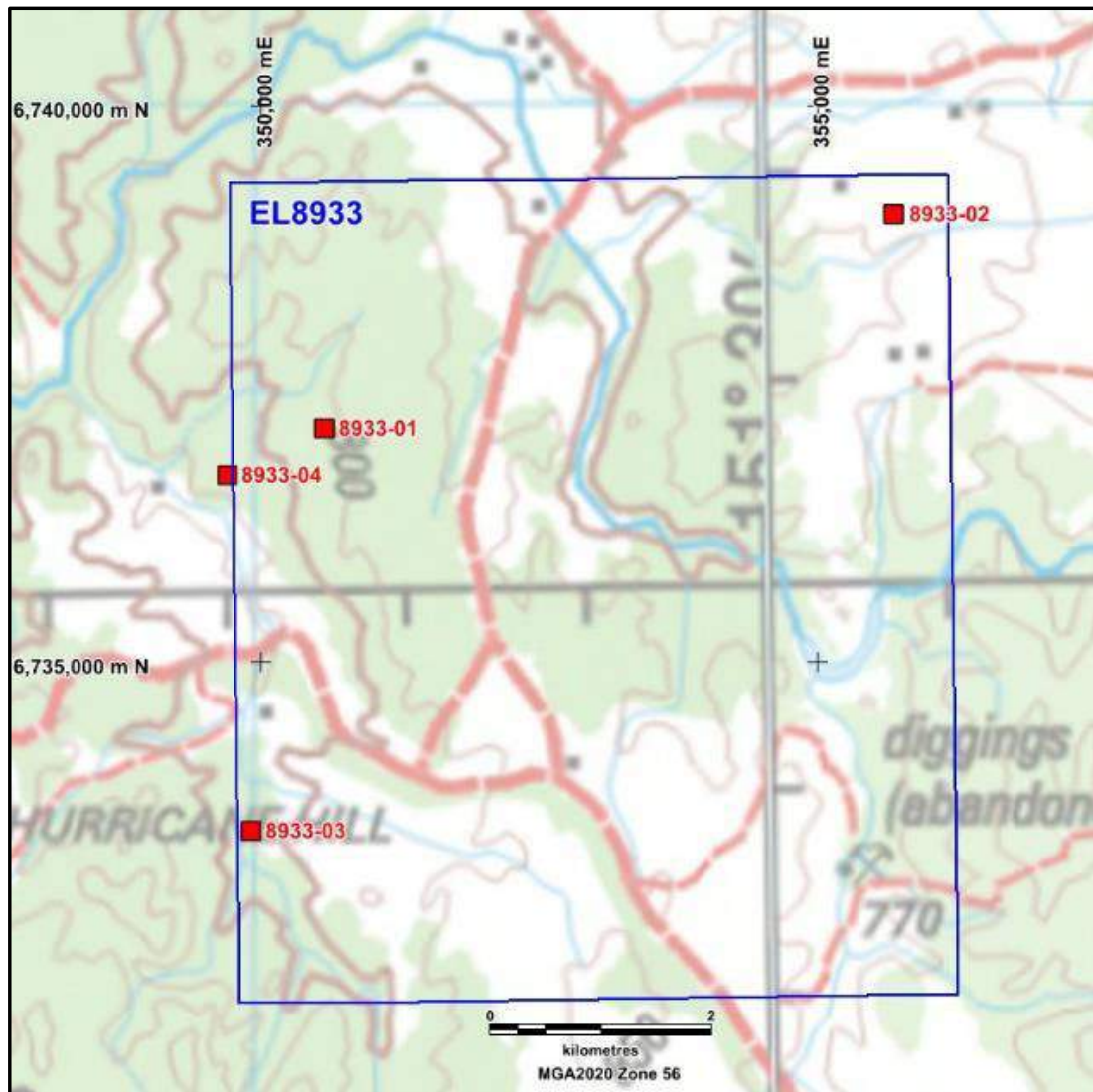


Figure 71: EL8933, Indigenous Cultural Heritage Sites

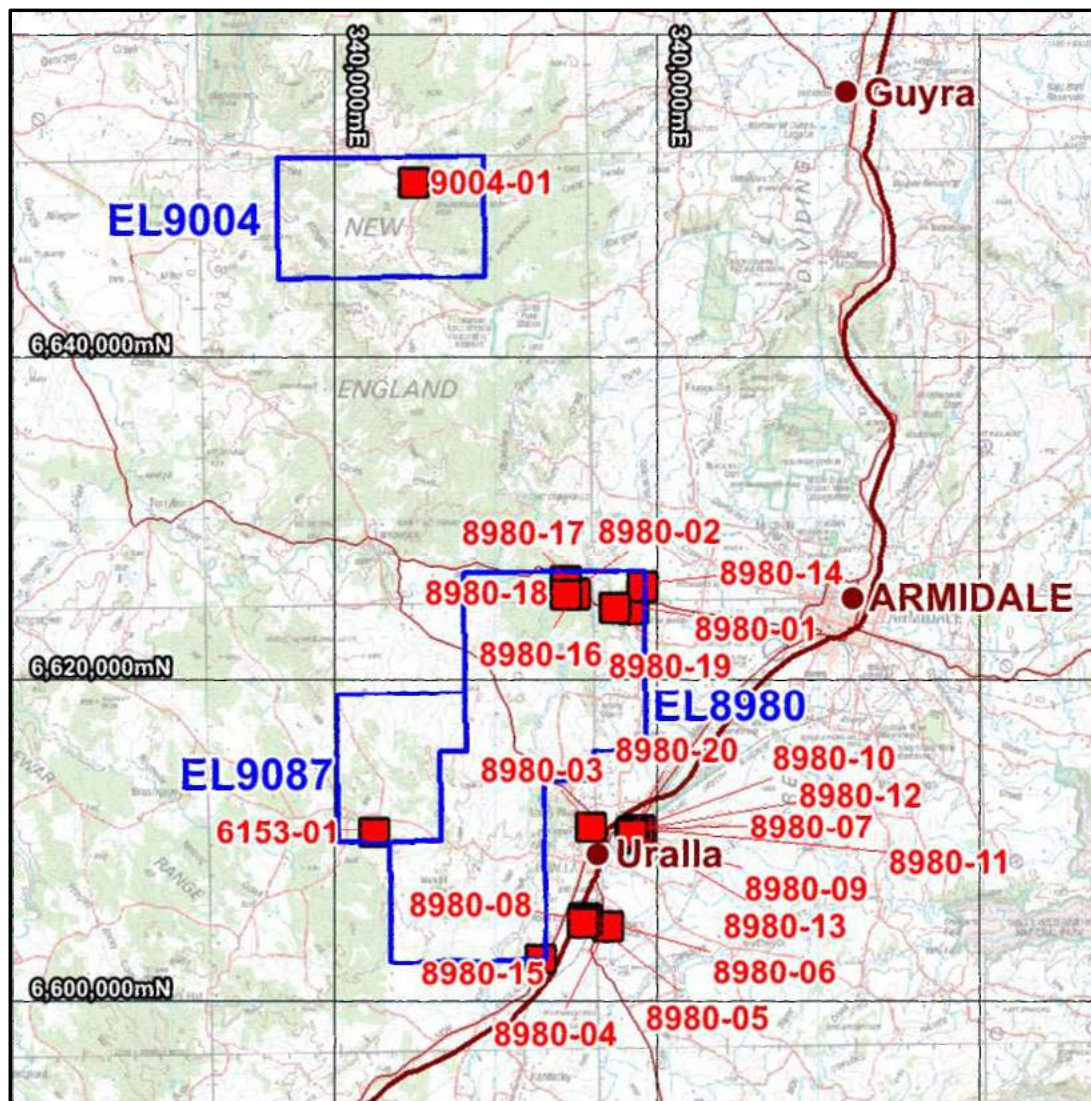


Figure 72: EL8980, EL9004 &amp; EL9087, Indigenous Cultural Heritage Sites

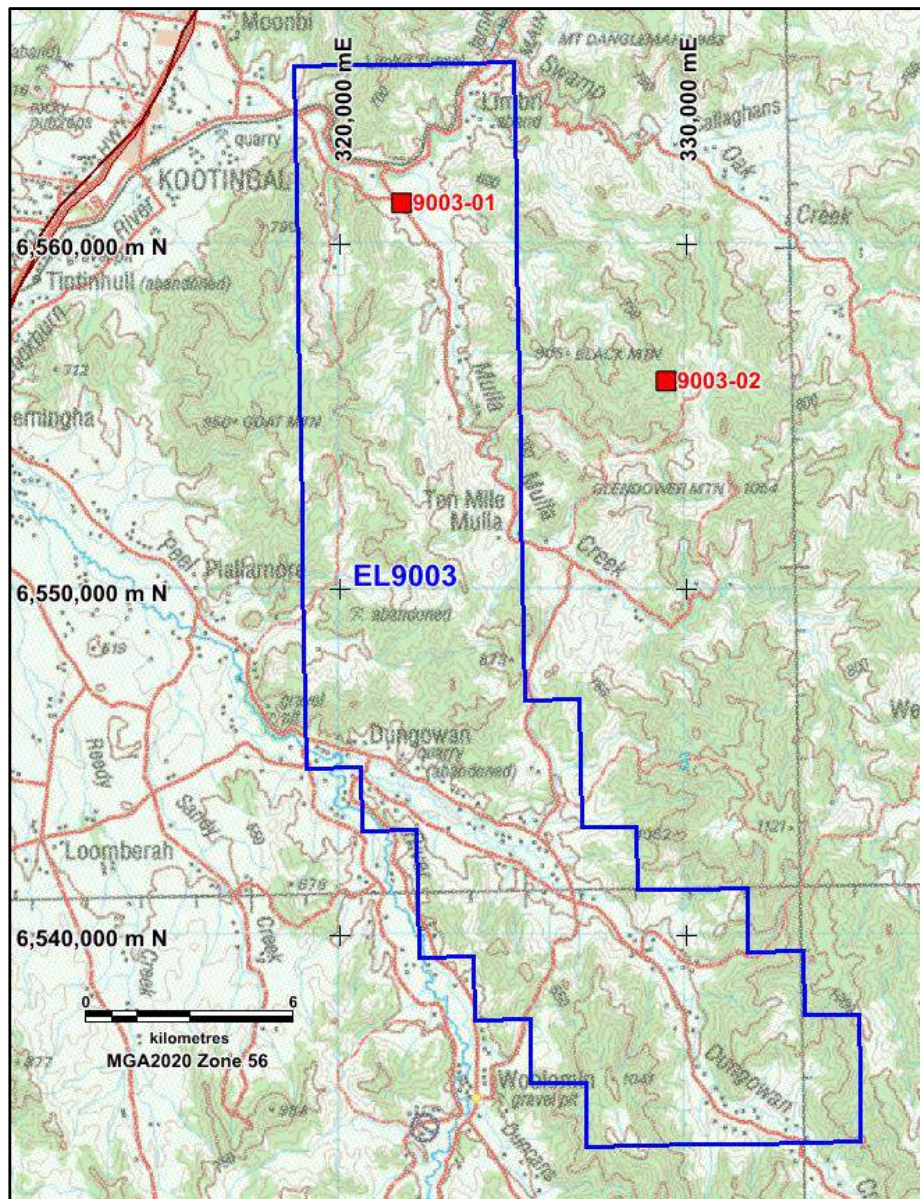


Figure 73: EL9003, Indigenous Cultural Heritage Sites

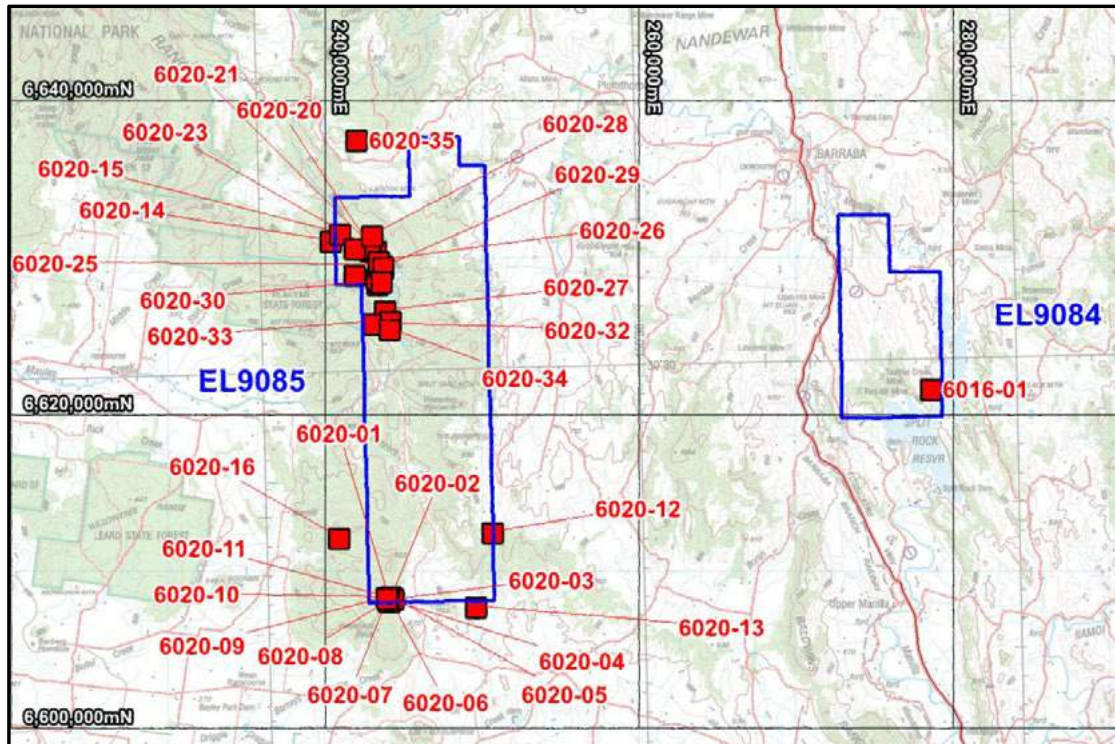


Figure 74: EL9084 &amp; EL9085, Indigenous Cultural Heritage Sites

Tenement	Label	Site ID	Site name	Longitude GDA94	Latitude GDA94	Datum	Zone	Easting	Northing	Context	Combined Type
EL8933	8933-01	11-3-0111	Willows stone flakes	151.4586	-29.4865	GDA	56	350564	6737119	Open site	Artefact
EL8933	8933-02	12-1-0123	Emmaville SF AS7	151.5118	-29.4697	GDA	56	355699	6739053	Open site	Artefact
EL8933	8933-03	11-6-0061	EL22	151.4513	-29.5192	AGD	56	349800	6733300	Open site	Artefact
EL8933	8933-04	11-3-0114	Willows stone artefact seven hills	151.4495	-29.4903	GDA	56	349693	6736694	Open site	Artefact
EL8980	8980-01	21-4-0040	Invergowrie JA2;	151.5257	-30.5035	AGD	56	358420	6624310	Open site	Artefact Isolated Find
EL8980	8980-02	20-3-0061	JA/TEAT2	151.4881	-30.4940	AGD	56	354790	6625310	Open site	Artefact
EL8980	8980-03	20-6-0067	Barley Uralla L&H P1	151.4964	-30.6247	GDA	56	355890	6611030	Open site	Potential Archaeological Deposit (PAD)
EL8980	8980-04	21-4-0097	Dangars Uralla L&H P1	151.5071	-30.6801	GDA	56	357000	6604900	Open site	Potential Archaeological Deposit (PAD)
EL8980	8980-05	20-6-0069	RACECOURSE ISO 2	151.4920	-30.6761	AGD	56	355440	6605130	Open site	Artefact 1
EL8980	8980-06	20-6-0070	RACECOURSE OS 1	151.4931	-30.6764	AGD	56	355548	6605100	Open site	Artefact 1
EL8980	8980-07	21-4-0108	BARLEY M1	151.5284	-30.6267	GDA	56	358963	6610845	Open site	Artefact 1
EL8980	8980-08	20-6-0068	RACECOURSE ISO 3	151.4908	-30.6783	GDA	56	355430	6605080	Open site	Artefact 1
EL8980	8980-09	21-4-0109	Barley OS 5	151.5225	-30.6320	GDA	56	358407	6610250	Open site	Artefact
EL8980	8980-10	21-4-0110	Barley OS 1	151.5272	-30.6267	GDA	56	358850	6610840	Open site	Artefact
EL8980	8980-11	21-4-0111	Barley OS 2	151.5240	-30.6274	GDA	56	358540	6610760	Open site	Artefact
EL8980	8980-12	21-4-0112	Barley OS 3	151.5231	-30.6282	GDA	56	358450	6610670	Open site	Artefact
EL8980	8980-13	21-4-0113	Barley OS4	151.5220	-30.6301	GDA	56	358349	6610456	Open site	Artefact
EL8980	8980-14	21-1-0052	Invergowrie JA3;	151.5324	-30.4908	AGD	56	359040	6625720	Open site	Artefact Isolated Find
EL8980	8980-15	20-6-0018	Church Gully Uralla	151.4630	-30.6986	AGD	56	352700	6602600	Closed site	Artefact Shelter with Deposit
EL8980	8980-16	20-3-0042	JA/Teat 1	151.4884	-30.4944	AGD	56	354820	6625270	Open site	Artefact Open Camp Site
EL8980	8980-17	20-3-0043	JA/pinn 1	151.4825	-30.4875	AGD	56	354250	6626030	Open site	Artefact Open Camp Site
EL8980	8980-18	20-6-0019	Pinnadie Cherry Hill	151.4826	-30.4941	AGD	56	354270	6625290	Open site	Axe Grinding Groove
EL8980	8980-19	21-4-0075	JA/ Invg 1	151.5141	-30.5025	AGD	56	357300	6624400	Open site	Artefact 27
EL8980	8980-20	21-4-0167	Barley Q 4	151.5231	-30.6284	AGD	56	358349	6610456	Open site	Artefact
EL9003	5885-01	29-3-0047	Kootingal ST 2	151.1317	-31.0691	AGD	56	321645	6561053	Open site	Modified Tree (Carved or Scarred)

Tenement	Label	Site ID	Site name	Longitude GDA94	Latitude GDA94	Datum	Zone	Easting	Northing	Context	Combined Type
EL9003	5885-02	29-2-0074	Tamworth Airport Boundary; TAB;	151.2110	-31.1167	AGD	56	329300	6555900	Open site	Artefact Isolated Find
EL9004	5895-01	20-3-0072	LAURA CREEK OS1	151.3878	-30.2625	AGD	56	344800	6650840	Open site	Artefact 1
EL9084	6016-01	20-5-0014	Manilla River; Oakvale	150.6928	-30.5167	AGD	56	278500	6621500	Open site	Artefact Open Camp Site
EL9085	6020-01	20-4-0938	BC 19/1	150.3300	-30.6297	GDA	56	244078	6608394	Open site	Artefact, Hearth
EL9085	6020-02	20-4-0939	BC 19/2	150.3300	-30.6318	GDA	56	244086	6608160	Open site	Artefact
EL9085	6020-03	20-4-0940	BC 19/3	150.3305	-30.6314	GDA	56	244132	6608211	Open site	Modified Tree (Carved or Scarred)
EL9085	6020-04	20-4-0941	BC 19/4	150.3295	-30.6313	GDA	56	244033	6608220	Open site	Artefact
EL9085	6020-05	20-4-0889	BC_FL_IF 1/17	150.3310	-30.6294	GDA	56	244176	6608436	Open site	Artefact
EL9085	6020-06	20-4-0890	BC_FL_AS 3/17	150.3298	-30.6296	GDA	56	244057	6608404	Open site	Artefact
EL9085	6020-07	20-4-0891	BC_FL_IF 4/17	150.3289	-30.6297	GDA	56	243977	6608399	Open site	Artefact
EL9085	6020-08	20-4-0892	BC_FL_IF 5/17	150.3330	-30.6304	GDA	56	244374	6608323	Open site	Artefact
EL9085	6020-09	20-4-0893	BC_FL_IF 6/17	150.3308	-30.6293	GDA	56	244155	6608439	Open site	Artefact
EL9085	6020-10	20-4-0894	BC_FL_IF 18/17	150.3299	-30.6296	GDA	56	244070	6608404	Open site	Artefact
EL9085	6020-11	20-4-0896	BC_FL_T 10/17	150.3287	-30.6298	GDA	56	243959	6608380	Open site	Modified Tree (Carved or Scarred)
EL9085	6020-12	20-4-0864	BC5/18	150.3997	-30.5936	GDA	56	250671	6612550	Open site	Artefact
EL9085	6020-13	20-4-0870	BC1/18	150.3877	-30.6361	GDA	56	249631	6607814	Open site	Artefact
EL9085	6020-14	20-1-0140	Wirradale AS25	150.2968	-30.4243	GDA	56	240355	6631095	Open site	Artefact
EL9085	6020-15	20-1-0141	Wirradale AS24	150.3032	-30.4202	GDA	56	240956	6631563	Open site	Artefact
EL9085	6020-16	20-4-0095	Dripping Rock Cave Site	150.2975	-30.5947	AGD	56	240767	6612008	Closed site	Aboriginal Resource and Gathering, Shell, Modified Tree (Carved or Scarred) 1, Water Hole
EL9085	6020-17	20-1-0092	Willeroi AS10	150.3275	-30.4498	GDA	56	243364	6628333	Open site	Artefact
EL9085	6020-18	20-1-0093	Willeroi AS9	150.3286	-30.4483	GDA	56	243467	6628505	Open site	Artefact
EL9085	6020-19	20-1-0094	Willeroi AS8	150.3268	-30.4466	GDA	56	243293	6628695	Open site	Artefact
EL9085	6020-20	20-1-0095	Willeroi AS7	150.3308	-30.4391	GDA	56	243662	6629531	Open site	Artefact
EL9085	6020-21	20-1-0096	Willeroi AS1	150.3264	-30.4309	GDA	56	243214	6630433	Open site	Artefact

Tenement	Label	Site ID	Site name	Longitude GDA94	Latitude GDA94	Datum	Zone	Easting	Northing	Context	Combined Type
EL9085	6020-22	20-1-0097	Willeroi AS2	150.3233	-30.4302	GDA	56	242910	6630505	Open site	Artefact
EL9085	6020-23	20-1-0098	Willeroi AS3	150.3228	-30.4288	GDA	56	242862	6630653	Open site	Artefact
EL9085	6020-24	20-1-0099	Willeroi AS4	150.3127	-30.4286	GDA	56	241894	6630659	Open site	Artefact
EL9085	6020-25	20-1-0100	Willeroi AS5	150.3283	-30.4384	GDA	56	243420	6629604	Open site	Artefact
EL9085	6020-26	20-1-0101	Willeroi AS6	150.3281	-30.4367	GDA	56	243396	6629789	Open site	Artefact
EL9085	6020-27	20-1-0102	Willeroi AS11	150.3316	-30.4650	GDA	56	243801	6626664	Open site	Artefact
EL9085	6020-28	20-1-0103	Willeroi IA2	150.3244	-30.4216	GDA	56	242993	6631455	Open site	Artefact
EL9085	6020-29	20-1-0104	Willeroi IA1	150.3315	-30.4403	GDA	56	243728	6629402	Open site	Artefact
EL9085	6020-30	20-1-0105	Willeroi AS15	150.3297	-30.4479	GDA	56	243574	6628552	Open site	Artefact
EL9085	6020-31	20-1-0107	Willeroi AS13	150.3125	-30.4441	GDA	56	241916	6628935	Open site	Artefact
EL9085	6020-32	20-1-0108	Willeroi AS12	150.3243	-30.4725	GDA	56	243120	6625808	Open site	Artefact
EL9085	6020-33	20-1-0109	Willeroi IA3	150.3353	-30.4710	GDA	56	244169	6626009	Open site	Artefact
EL9085	6020-34	20-1-0111	Willeroi Artefact 01	150.3347	-30.4756	GDA	56	244124	6625492	Open site	Artefact
EL9085	6020-35	20-1-0161	Mt Lindsay AS4	150.3158	-30.3663	GDA	56	242021	6637564	Open site	Artefact
EL9087	6153-01	20-6-0010	Balala	151.36	-30.63	AGD	56	342400	6610500	Closed site	Art (Pigment or Engraved): - Shelter with Art

Table 28: List of Indigenous Cultural Sites

## Appendix 3 – Areas of Environmental Concern

Item	Description
<b>Red filled polygons</b>	Travelling Stock Reserves (high conservation values)
<b>Orange filled polygons</b>	Travelling Stock Reserves (medium conservation values)
<b>Green filled polygons</b>	Strategic Agricultural Land
<b>Filled circles</b>	Critically endangered (red), endangered (orange), vulnerable (yellow), not threatened (green)
<b>Unfilled circles</b>	Flora surveys
<b>Filled squares</b>	Koala sightings
<b>Green and purple polylines</b>	Threatened freshwater fish

Table 29: Legend for areas of environmental concern

For Figure 75 to Figure 80

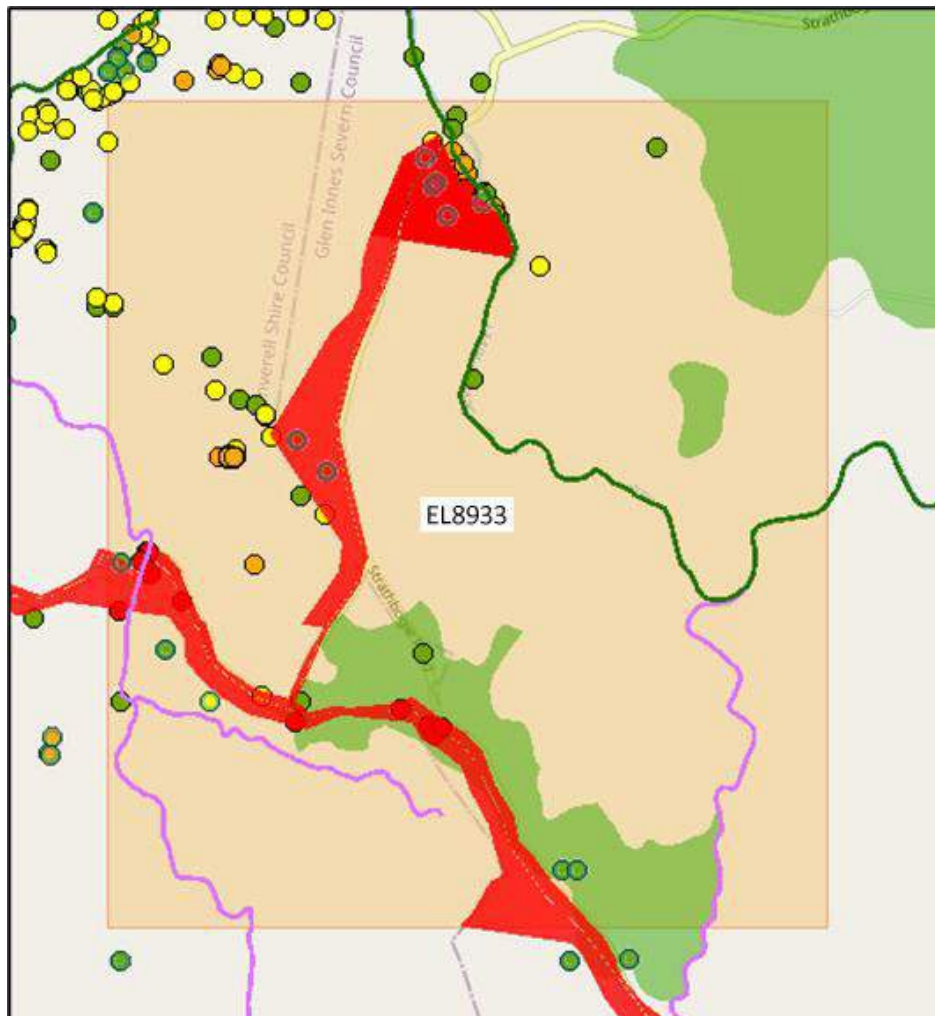


Figure 75: EL8933 Environmental Values

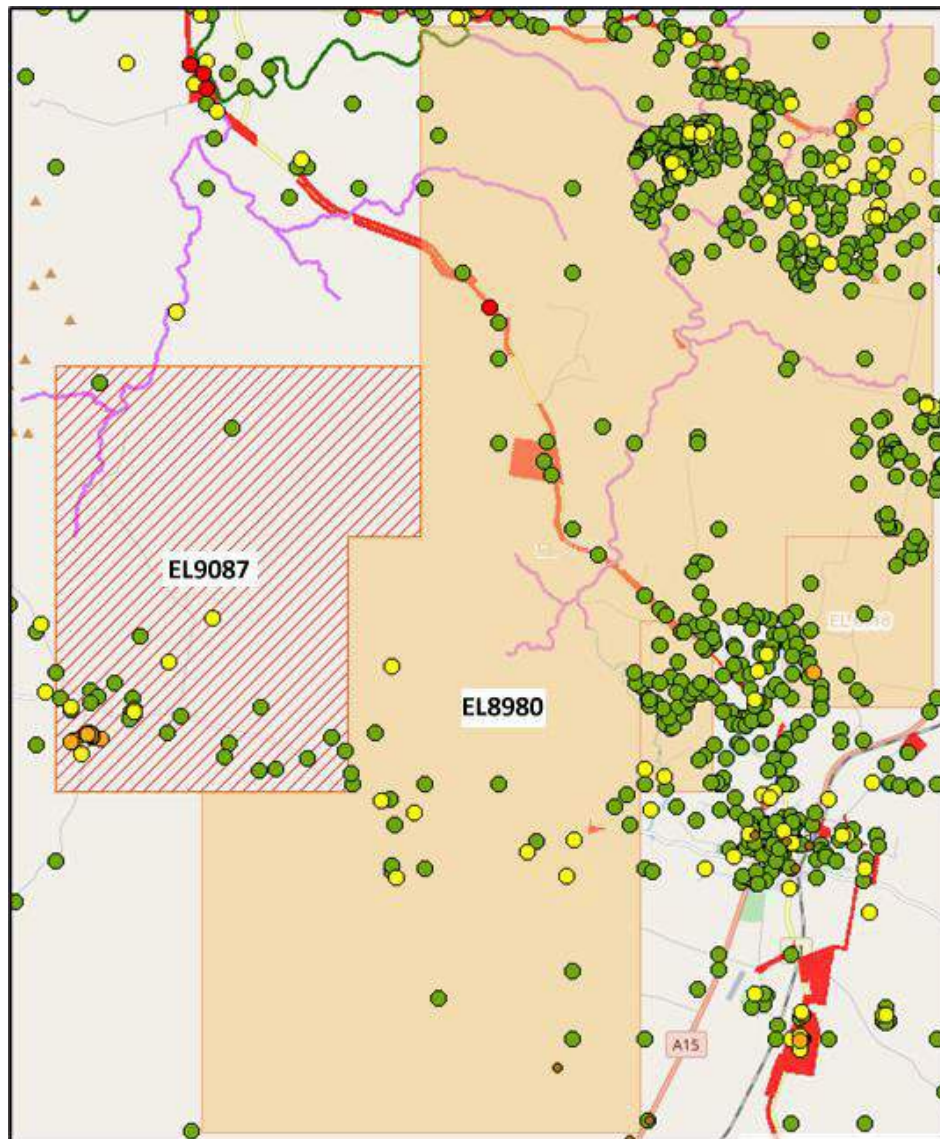


Figure 76: EL8980 and EL9087 Environmental Values

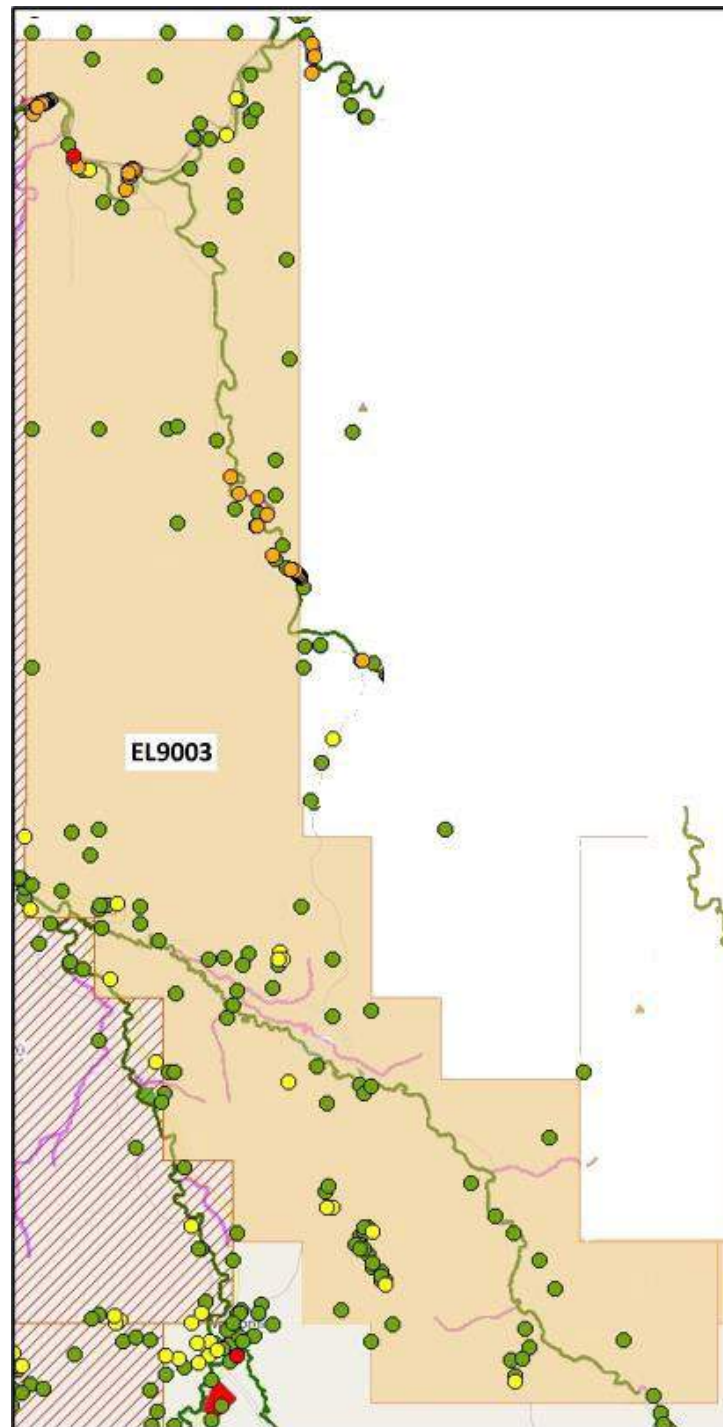


Figure 77: EL9003 Environmental Values

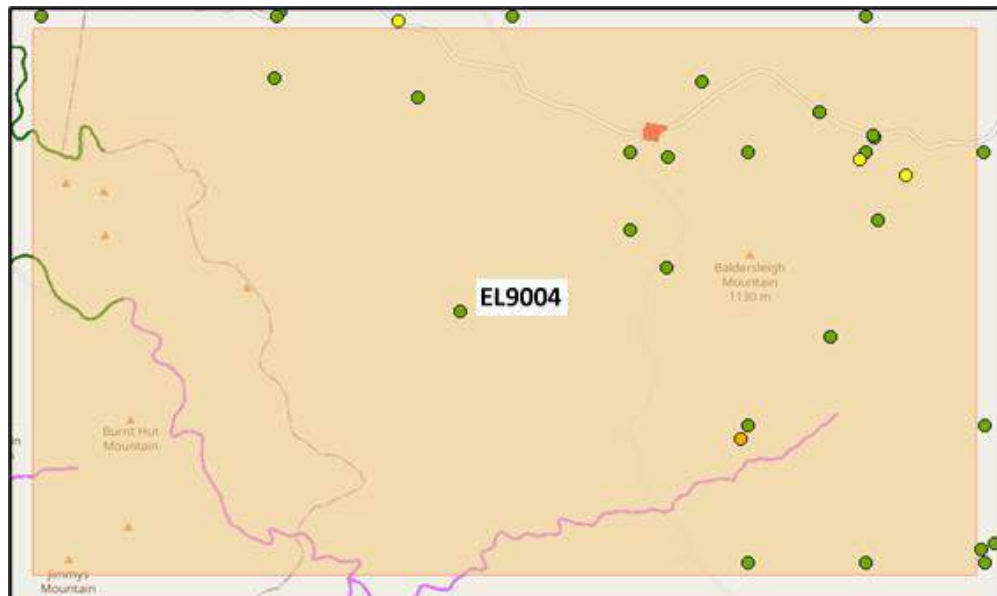


Figure 78: EL9004 Environmental Values

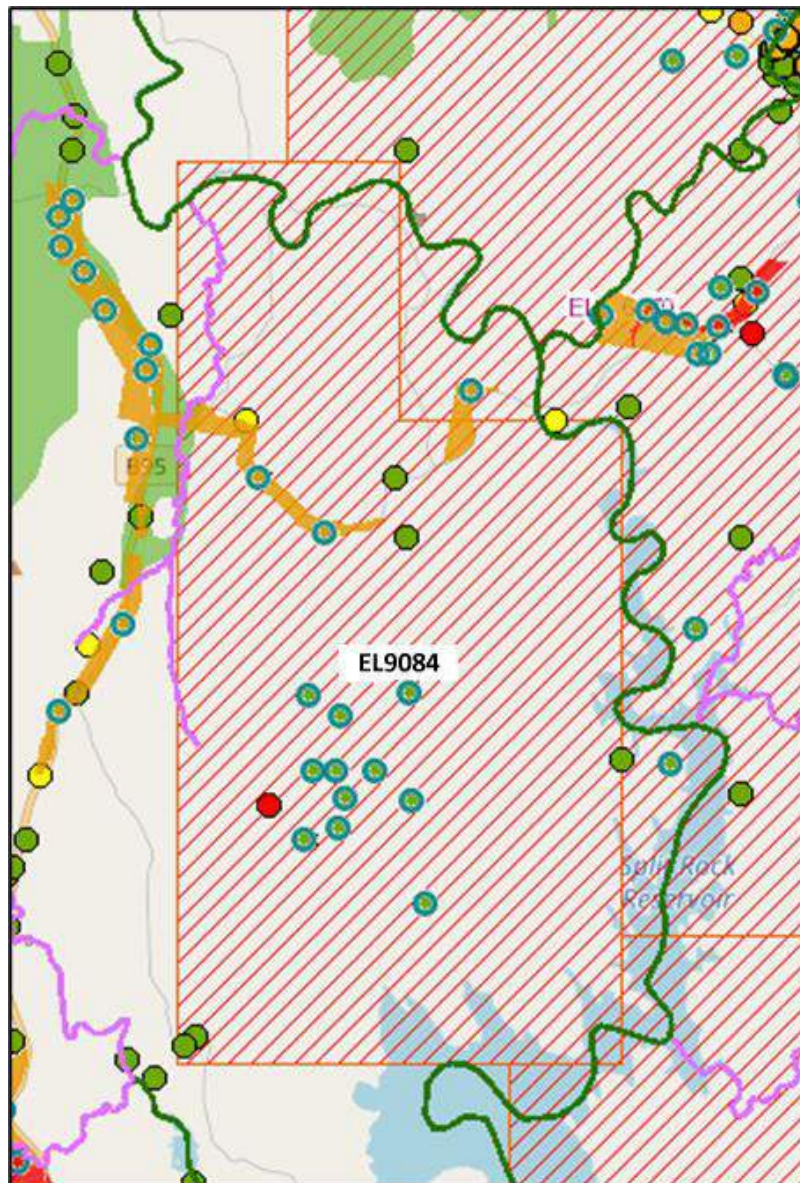


Figure 79: EL9084 Environmental Values

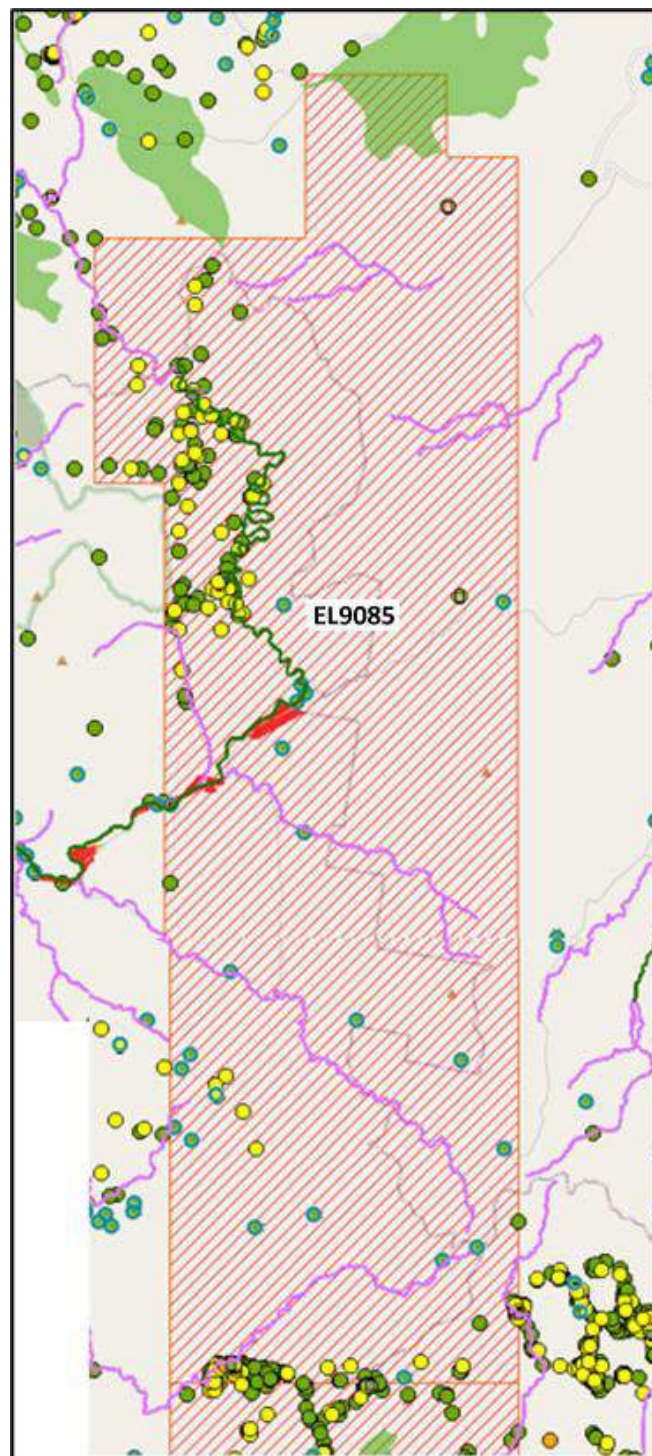


Figure 80: EL9085 Environmental Values

## Appendix 4 – List of Mineral Occurrences within Lode tenements

Source: GSNW Minview Mineral occurrences database & historical exploration reports.

Lode_EL	Deposit Name	Comm	Size	Long	Lat	Oper.	Depth	Dip Dir	Strike	Description
EL8933	Bartons quarry	Pb, Ag, Zn, Au	SML	151.47659	-29.49605	o/c & u/g mine	3	258	348	Underground workings, open cut(s), shaft(s), shallow pits or scrapings. Pipe-like in the 348 striking fracture zone - joint, dips 83 to west.
EL8933	Lucky Lucy shaft	Pb,Ag	SML	151.47605	-29.49099	u/g mine	22	120	210	Underground workings, shaft(s), shallow pits or scrapings. Probably 030 and vertical.
EL8933	Mathews mine	Ag	OCC	151.45175	-29.48854	unk				
EL8933	ML18 prospect	Pb,Ag	OCC	151.47873	-29.49138	u/g mine	8	10	100	Shaft(s), shallow pits or scrapings. Strike of workings 100 and apparently vertical.
EL8933	Mount Galena mines	Pb, Ag, Zn, Au	SML	151.47857	-29.49472	u/g mine	52		30	Underground workings, shaft(s), shallow pits or scrapings. Possibly 030 True; mostly disseminated in altered host rock.
EL8933	Munsies prospect	Ag	OCC	151.46708	-29.47717	pit(s)	1	120	210	Shallow pits or scrapings. Some veining present with 030 strike and vertical dip.
EL8933	Neild and Rose prospect	Ag	OCC	151.50128	-29.4864	unk		0	0	
EL8933	Northern Lucy prospect	Pb,Ag	OCC	151.47669	-29.48982	u/g mine	7	170	80	Underground workings, shaft(s), shallow pits or scrapings. Strike appears to be 080 True and vertical dip.
EL8933	Seatons mine	Ag,Sn	OCC	151.46299	-29.49499	u/g mine	3			Dredging or sluicing, shaft(s), shallow pits or scrapings.
EL8933	Swynys prospect	Ag	OCC	151.50148	-29.47287	pit(s)	2	330	60	Pits
EL8933	Tangoa prospect	Pb,Zn	MED	151.4925	-29.5224	pit(s)	1		185	Shallow pits or scrapings. Very elongate in a north/south direction.
EL8933	Tangoa West	Zn	OCC	151.48236	-29.51037	u/g mine	10			Open cut(s), shaft(s), shallow pits or scrapings. No obvious structures, gives the impression that it is a steeply plunging pipe.
EL8933	Tin 106	Sn	OCC	151.48984	-29.48627	unk	0.5			Dredging or sluicing.

Lode_EL	Deposit Name	Comm	Size	Long	Lat	Oper.	Depth	Dip Dir	Strike	Description
<b>EL8933</b>	Webbs Consols #1 shaft	Pb, Ag, Zn, Au	LRG	151.47808	-29.49336	u/g mine	300	100	190	Underground workings, shaft(s), shallow pits or scrapings. Pipe like structure in a 010° - trending shear with a 70°-75° plunge in this shear to SE.
<b>EL8933</b>	Webbs Consols #3 shaft	Pb, Ag, Zn	SML	151.47774	-29.49543	u/g mine	30			Underground workings, shaft(s), shallow pits or scrapings.
<b>EL8933</b>	Webbs Consols #4 shaft	Pb, Ag, Zn, Au	SML	151.47811	-29.49814	u/g mine	22			Underground workings, shaft(s), shallow pits or scrapings. Much ore appears to be disseminated within granite; may become pipe-like with depth.
<b>EL8933</b>	Webbs Consols #6 shaft	Pb,Ag	OCC	151.47905	-29.49873	u/g mine	10		160	Open cut(s), shaft(s). Small number of pits and shaft on altered granite with open quartz veins oriented 160.
<b>EL8933</b>	Webbs Consols #7 shaft	Pb,Ag	OCC	151.48057	-29.4988	u/g mine	10		70	Open cut(s), shaft(s), shallow pits or scrapings. General strike of 070 but dip cannot be determined.
<b>EL8933</b>	Webbs Consols #8 shaft	Pb,Ag	OCC	151.47796	-29.49999	u/g mine	13			Shaft(s). Orientation of deposit could not be determined although quartz vein material is present on dumps.
<b>EL8933</b>	Wellingrove central	Cu	OCC	151.4939	-29.50581	pit(s)	5		195	Open cut(s), shaft(s), shallow pits or scrapings. Few sratchings and open cuts and several pits along old track, no discernable orientation.
<b>EL8933</b>	Wellingrove north	Pb,Ag	OCC	151.49473	-29.50393	u/g mine	10	95	185	Open cut(s), shaft(s), shallow pits or scrapings. Multiple veins striking 005 and dipping 65 to the east; numerous pits, underlay shaft etc.
<b>EL8933</b>	Wellingrove prospect 1	Pb,Ag	OCC	151.49864	-29.49052	u/g mine				Shaft(s), shallow pits or scrapings.
<b>EL8933</b>	Wellingrove prospect 2	Ag,Pb	OCC	151.49257	-29.48297	unknown	2			
<b>EL8933</b>	Wellingrove south	Pb,Ag,Zn	SML	151.49218	-29.50931	o/c & u/g mine	10		36	Underground workings, open cut(s), shaft(s), shallow pits or scrapings. Workings elongate at 025 along multiple quartz and sulphide veins.

Lode_EL	Deposit Name	Comm	Size	Long	Lat	Oper.	Depth	Dip Dir	Strike	Description
EL8980	Brown's Reef	Au	SML	151.44232	-30.64967	u/g mine	60		360	Shafts
EL8980	Cherry Tree Hill	Au	OCC	151.47166	-30.68159	pit(s)				Shallow pits
EL8980	Digger's Ridge	Au	OCC	151.49753	-30.6016	u/g mine				Underground, shafts, adits
EL8980	Frazers Find	Au	SML	151.43059	-30.61335	u/g mine	20			Underground, shafts, shallow pits
EL8980	Goldsworth Gully	Alluv	OCC	151.43085	-30.59106	alluv	3			dredging and/or sluicing
EL8980	Goldsworth Mine	Au	SML	151.43825	-30.58177	u/g mine	87.2		45	Underground, shafts,
EL8980	Gracie, Little Graci	Au	SML	151.41295	-30.62694	u/g mine	60	293	23	Underground, shafts, shallow pits,
EL8980	Gwydir River Gold	Alluv	SML	151.43308	-30.48445	u/g mine	10			Open cut, dredging and/or sluicing, shafts, shallow pits
EL8980	Hudsons prospect	Au	OCC	151.41321	-30.61774	u/g mine				Underground, shafts
EL8980	McCrosin's	Au	OCC	151.43258	-30.626	u/g mine			30	Underground, shafts, shallow pits,
EL8980	Jackson's Gully	Au	OCC	151.46364	-30.59488	u/g mine				Underground, dredging and/or sluicing, shafts, shallow pits
EL8980	Khatoun prospect	Mn	SML	151.40745	-30.62533	pit(s)			355	Shallow pits
EL8980	Landrigan Hill	Au	SML	151.4241	-30.60217	u/g mine				Underground, adits
EL8980	Manuka Deposit	Pb	OCC	151.40805	-30.65872	unk				
EL8980	Manuka Farm	Hg	OCC	151.40886	-30.65377	unk				
EL8980	Martin's Shaft	Au	OCC	151.41077	-30.63163	u/g mine	30	340	70	Underground, shafts
EL8980	Mount Harris	Au	OCC	151.46804	-30.5805	u/g mine				Dredging and/or sluicing, shafts, shallow pits
EL8980	Mount Monopoly	Au	OCC	151.45178	-30.55387	u/g mine	30			Underground, shafts, adits, shallow pits
EL8980	Mount Welsh	Au	MED	151.47552	-30.60856	u/g mine	33			Underground, shafts
EL8980	Mt Brisbane	Au	OCC	151.50439	-30.58995	u/g mine	6			Underground workings, shafts and adits
EL8980	Muddy Gully	Alluv	OCC	151.43261	-30.51422	alluv				Dredging and/or sluicing
EL8980	O'Sullivan's shaft	Au	OCC	151.53343	-30.56574	u/g mine				Underground workings, and shafts,
EL8980	Reedy Creek	Alluv	OCC	151.50503	-30.54845	alluv				Dredging and/or sluicing
EL8980	Rocky River	Alluv	LRG	151.46301	-30.56871	alluv				Dredging and/or sluicing, adits, shallow pits,

Lode_EL	Deposit Name	Comm	Size	Long	Lat	Oper.	Depth	Dip Dir	Strike	Description
EL8980	Suey's Claim	Au	SML	151.42742	-30.62865	u/g mine	30	310	40	Underground, shafts
EL8980	Vickers prospect	Au	OCC	151.41601	-30.61502	u/g mine	16			Underground, shafts
EL8980	Wilson's Creek Shaft	Au	OCC	151.41019	-30.64296	u/g mine				Underground, shafts
EL8980		Au	OCC	151.43962	-30.51186	u/g mine				Underground
EL8980		Au	OCC	151.42278	-30.60621	u/g mine	2.5			Dredging and/or sluicing, adits
EL8980		Au	OCC	151.43219	-30.63718	unk				
EL8980		Au	OCC	151.42975	-30.64645	unk				
EL9003	Ambrose Gold Prospect	Au	OCC	151.09266	-31.161	u/g mine	2.5	295	25	Underground workings, shafts, adits and shallow workings
EL9003	Charmant Vue Manganese	Mn	OCC	151.16543	-31.24956	u/g mine	2			Open cut, and shafts
EL9003	Cockburn River Prospect	Au	OCC	151.12831	-31.05508	u/g mine	15		220	Underground workings, open cut and shafts
EL9003	Coote Creek Mn	Mn	OCC	151.26051	-31.27524	pit(s)			177	
EL9003	Edwards prospect	Cu	OCC	151.11621	-31.19021	u/g mine	6			Underground workings, and shafts
EL9003	Fischer's Copper Mine	Cu	SML	151.1325	-31.21571	u/g mine	40	242	332	Underground, shafts
EL9003	Givneys Reef	Au	OCC	151.16181	-31.05646	u/g mine	2		142	Underground workings, and shafts
EL9003	Gordons Shaft	Au	OCC	151.15628	-31.07172	u/g mine	10			Underground workings, and shafts
EL9003	Grahams Manganese Prospect	Mn	OCC	151.11895	-31.15778	u/g mine	2	265	355	Underground workings, open cut, shafts, adits and shallow workings
EL9003	Herdens Copper Prospect	Cu	OCC	151.1214	-31.193	u/g mine	10			Underground workings, and shafts
EL9003	Jersey Gully Prospect	Au	OCC	151.14425	-31.04358	pit(s)	2		22	Open cut and shallow pits
EL9003	Little Oak Creek Prospect	Au	OCC	151.14894	-31.07161	u/g mine		118	208	Underground workings, and shafts
EL9003	Mt Pleasant Copper	Cu	OCC	151.22643	-31.30003	u/g mine	15	260	350	Underground, shafts, shallow pits
EL9003	Mulla Creek Copper Mine	Cu	SML	151.14929	-31.16183	u/g mine	30			Adits
EL9003	New Years Gift	Au	SML	151.11551	-31.06662	u/g mine	15			Underground workings, shafts and adits
EL9003	Oakview Manganese Prospect	Mn	SML	151.12451	-31.0884	pit(s)	1.5			
EL9003	Oakview North Manganese	Mn	SML	151.12565	-31.08391	unk				

Lode_EL	Deposit Name	Comm	Size	Long	Lat	Oper.	Depth	Dip Dir	Strike	Description
EL9003	Oaky Creek prospect	Mn	OCC	151.22296	-31.31712	pit(s)	1.5	273	183	Shallow pits
EL9003	Rackhams Reward Mine	Au	SML	151.14395	-31.05891	u/g mine	8	20	110	Underground workings, shafts and adits
EL9003	Railway prospect	Au	OCC	151.15007	-31.04583	unk	1.5			Open cut
EL9003	Rasussens prospect	Cu	OCC	151.11829	-31.19115	u/g mine	10			Underground workings, and shafts
EL9003	Red Gully Mine	Mn	OCC	151.09297	-31.19799	pit(s)	4			Open cut and shallow pits
EL9003	Spring Creek Alluvials	Alluv	SML	151.10807	-31.07192	u/g mine				Dredging and/or sluicing, shafts and shallow pits
EL9003	Stannings prospect	Au	OCC	151.13665	-31.057	u/g mine	17			Underground workings, and shafts
EL9003	Stronghurst Manganese	Mn	OCC	151.15612	-31.24221	u/g mine				Adits
EL9003	Thompsons prospect	Au	OCC	151.13369	-31.04794	u/g mine	4		172	Shafts and shallow pits
EL9003	Trough Gully Copper Mine	Cu	SML	151.11749	-31.17851	u/g mine	30	112	202	Underground workings, open cut, shafts and adits
EL9003	Weavers Reef	Au	OCC	151.11222	-31.07379	u/g mine	11		122	Underground workings, shafts and shallow pits
EL9003	Woolomin Mine	Cu	SML	151.14111	-31.25823	u/g mine	43		187	Underground workings, shafts and adits
EL9003	Kasey prospect	Cu	ET	151.15514	-31.21109	Nil				Exploration target based on magnetics and Cu anomalies in stream sediments.
EL9004	Boorolong Mo Mine	Mo	SML	151.44320	-30.27345	u/g mine	33			Underground, Open cut, shafts, shallow pits
EL9004	Elsinore Cu 2	Cu	OCC	151.35829	-30.28504	pit(s)	1.5	200	110	Shallow pits
EL9004	Elsinore Cu 1	Cu	OCC	151.36820	-30.28327	pit(s)	0.5	180	90	Shallow pits
EL9004	Laura Creek Mo	Mo	OCC	151.29959	-30.25271	pit(s)				Shallow pits
EL9004	Laura Creek Mo	Mo	OCC	151.31079	-30.26639	unk				
EL9084	Black Mountain Reef	Au	SML	150.66878	-30.47410	u/g mine	30	235	325	Underground, shafts, shallow pits,
EL9084	Black Mountain Reef	Au	OCC	150.67028	-30.47666	u/g mine	30		140	Underground, shafts, shallow pits,
EL9084	Black Prince Reef	Au	OCC	150.65214	-30.45152	u/g mine	7	242	332	Underground, shafts, shallow pits,
EL9084	Dyson's Reef	Au	SML	150.66205	-30.49419	u/g mine	40		130	Underground, Open cut, shafts, shallow pits,
EL9084	Italian Gully	Au	OCC	150.66199	-30.4968	pit(s)	3		60	Shallow pits

Lode_EL	Deposit Name	Comm	Size	Long	Lat	Oper.	Depth	Dip Dir	Strike	Description
EL9084	Opossum Gully	Au	OCC	150.65810	-30.4851	pit(s)	2		150	Shallow pits
EL9084	Pioneer Reef	Au	OCC	150.66307	-30.49502	u/g mine	47	230	320	Underground, shafts, shallow pits
EL9084	Readings Reef	Au	SML	150.64936	-30.43704	u/g mine	43	245	335	Underground, shafts, shallow pits
EL9084	Readings Reef South	Au	OCC	150.6508	-30.44203	pit(s)	1		155	adits, shallow pits
EL9084	Shamrock Reef	Au	SML	150.66062	-30.46701	u/g mine	3		120	Underground, shafts, shallow pits,
EL9084	Teatree Creek Deep Lead	Alluv	OCC	150.65536	-30.50832	u/g mine				Underground, open cut, dredging and/or sluicing, shafts, shallow pits
EL9084	Teatree Creek Gold	Alluv	MED	150.65679	-30.49626	alluv	3			Shallow pits
EL9084		Au	OCC	150.68212	-30.4692	u/g mine	10		145	Underground, shafts, shallow pits
EL9084		Au	OCC	150.66884	-30.47131	pit(s)	1.5			Shallow pits
EL9084		Au	OCC	150.65738	-30.48914	u/g mine	7			Underground, shafts, shallow pits
EL9084		Au	OCC	150.66088	-30.49065	pit(s)	2		75	Open cut, shallow pits
EL9084		Au	OCC	150.65998	-30.49803	pit(s)	2		150	Shallow pits
EL9084		Au	OCC	150.66371	-30.50739	u/g mine			115	Underground, shafts, adits, etc
EL9084		Alluv	OCC	150.64322	-30.51929	unk				Open cut
EL9085	Old Willaroo Creek Alluvials	Alluv	SML	150.31112	-30.41229	pit(s)				Shallow pits
EL9085		Au	OCC	150.39333	-30.45518	pit(s)				Pit
EL9085		Alluv	OCC	150.32032	-30.46001	u/g mine				Shaft
EL9085		Alluv	OCC	150.32319	-30.43121	alluv				Small alluvial workings
EL9085		Alluv	SML	150.33376	-30.50177	alluv				
EL9085		Mte	OCC	150.32567	-30.45471	u/g mine				Shaft
EL9087	Bannaweera 1	Au	ET	151.39232	-30.61844	Nil				Exploration target based on geochemistry & geological mapping
EL9087	Bannaweera 2	Au	ET	151.39073	-30.60254	Nil				Exploration target based on geochemistry & geological mapping

## Appendix 5 - Glossary of Technical Terms

<b>Aeromagnetic survey</b>	An airborne geophysical survey to detect variations in the Earth's magnetic field due to the presence (or absence) of magnetic rocks or minerals.
<b>Ag</b>	Chemical symbol for silver
<b>Alluvium</b>	A general term for unconsolidated material deposited during comparatively recent geological time by running water or wind.
<b>Alteration</b>	A chemical change to original rock minerals.
<b>Alteration halo</b>	A zone of a similar style of alteration around mineralisation
<b>Andesitic</b>	An intermediate variety of igneous rock.
<b>Anomalous</b>	Having statistically significantly higher or lower values than the norm.
<b>Argillic</b>	Refers to alteration of original rock to clay minerals.
<b>As</b>	Chemical symbol for arsenic.
<b>Assay</b>	A chemical method to determine the metal content of a sample.
<b>Au</b>	Chemical symbol for gold.
<b>Batholith</b>	A large igneous intrusion, usually >100sq km in area.
<b>Bornite</b>	A copper ore mineral composed of copper, iron and sulphur.
<b>Breccia</b>	A rock type composed mainly of broken angular fragments.
<b>Chalcocite</b>	A copper ore mineral composed of copper and sulphur.
<b>Chalcopyrite</b>	A copper ore mineral composed of copper, iron and sulphur.
<b>Channel sample</b>	A technique of sampling rock outcrops for quantitative assaying whereby a representative sample is collected over a specific length.
<b>Crust</b>	Outermost layer of the earth.
<b>Crustal plate</b>	Large, rigid segment of the earth's crust.
<b>Cu</b>	Chemical symbol for copper.
<b>Deformation</b>	Process by which rocks are folded and faulted.
<b>Diamond drilling</b>	A drilling technique using diamond tipped drill bits to extract cylindrical rock core for analysis.
<b>Diatreme</b>	A vertical, pipe or funnel shaped body of intrusive breccia.
<b>Diorite</b>	A dark coloured variety of intermediate intrusive rock.
<b>Dyke</b>	A narrow, generally tabular, igneous intrusion that cuts across geological strata.
<b>EM</b>	Electromagnetics, an electrical geophysical surveying method
<b>Epithermal</b>	Refers to geologic processes taking place at low temperature and pressure near the Earth's surface.

<b>Fe</b>	Chemical symbol for iron.
<b>Feldspar</b>	Variety of common rock forming minerals containing silica, aluminium and variable amounts of calcium, potassium and sodium.
<b>Felsic</b>	An intermediate or silicic igneous rock containing abundant feldspar +/- quartz.
<b>Ferro-magnesian</b>	Pertaining to minerals that have high contents of iron and magnesium.
<b>Gabbro</b>	A coarse grained intrusive rock having high contents of ferro-magnesian minerals.
<b>Geochemical sample</b>	A sample of rock, soil or sediments collected for analysis to determine metal or mineral content.
<b>Geophysical survey</b>	Methods to measure the physical properties of the earth, such as electrical, magnetic or density.
<b>Grade</b>	Quantity of gold or other metal per unit weight of the host rock or sample.
<b>Granite</b>	A variety of coarse grained intrusive rock with high contents of feldspar and quartz
<b>Granodiorite</b>	A variety of coarse grained intrusive rock with high contents of feldspar and quartz and lesser ferro-magnesian minerals.
<b>GSNSW</b>	Geological Survey of New South Wales
<b>g/t</b>	Grams per tonne; equivalent to parts per million (ppm).
<b>Hematite</b>	Iron oxide mineral with general formula of $\text{Fe}_2\text{O}_3$
<b>Hydrothermal</b>	Refers to geologic processes related to hot fluids.
<b>Igneous</b>	Rock types formed from the cooling and solidification of molten magma.
<b>Intermediate</b>	A type of igneous rock containing 45-55% silica ( $\text{SiO}_2$ ) and less than 10% free quartz.
<b>Intrusive</b>	An igneous rock solidified from magma beneath the earth's surface.
<b>Intrusive complex</b>	An area containing a number of intrusive bodies.
<b>IP</b>	Induced Polarisation, an electrical geophysical surveying technique.
<b>Lava</b>	A volcanic rock solidified from magma extruded onto the earth's surface.
<b>Limestone</b>	A sedimentary rock composed mainly of calcium carbonate.
<b>Limonite</b>	A variety of hydrated iron oxide formed during weathering.
<b>Lode</b>	Deposit of metalliferous ore that fills or is embedded in a fissure in a rock formation or between rock layers
<b>Ma</b>	Symbol for millions of years before the present time.
<b>Mafic</b>	Referring to igneous rocks composed dominantly of ferro-magnesian minerals and minor feldspar.
<b>Magma</b>	Molten rock composed of mineral crystals and dissolved gases.
<b>Magnetic</b>	Refers to rocks or minerals with magnetic properties.
<b>Magnetite</b>	A magnetic iron oxide mineral.
<b>Mesothermal</b>	Refers to geologic processes taking place at moderate temperatures and depths, commonly 350m-1500m below surface.

<b>Metamorphism</b>	Processes by which rock forming minerals are changed by heat and/or pressure.
<b>Mineral Resource</b>	A concentration or occurrence in the Earth's crust of material of intrinsic value in such form, quality and quantity that there are reasonable prospects for eventual economic extraction.
<b>Mineralisation</b>	Concentration of metals or other minerals of value within a body of rock.
<b>Miocene</b>	A geological time period ranging from 23.3 to 5.2 million years ago.
<b>MMI</b>	Mobile Metal Ion geochemistry technique designed to detect hidden mineralisation through selective analysis of metal ions that travel upward from mineralisation to unconsolidated surface materials such soil.
<b>Mo</b>	The chemical symbol for molybdenum.
<b>Molybdenite</b>	The main molybdenum ore mineral, composed of molybdenum and sulphur.
<b>Ni</b>	Chemical symbol for nickel.
<b>Outcrop</b>	Exposure of bedrock at the surface projecting through soil cover.
<b>Pb</b>	Chemical symbol for lead.
<b>Phenocryst</b>	A relatively large mineral crystal set in a finer grained groundmass.
<b>Pliocene</b>	A geological time period ranging from 5.2 to 2.6 million years ago
<b>Porphyry</b>	Refers to the texture of igneous rocks containing visible crystals in a fine-grained groundmass.
<b>Porphyry copper</b>	Refers to a large, generally low grade copper deposit related to intrusive rocks.
<b>ppm</b>	Parts per million; terminology used for geochemical sampling; equivalent to grams per tonne (g/t).
<b>Prospect</b>	An area within a mining tenement that has indications of the occurrence of mineralisation, upon which exploration efforts are concentrated.
<b>Propylitic</b>	A type of rock alteration commonly associated with mineral deposits.
<b>Pyrite</b>	A common iron mineral composed of iron and sulphur.
<b>Pyroclastic</b>	A type of fragmental volcanic rock formed by violent volcanic eruptions.
<b>Quartz</b>	A common rock forming mineral composed of silica and oxygen.
<b>Quaternary</b>	A geological time period ranging from 2.6 million years ago to present.
<b>Resistivity</b>	A geophysical surveying technique to compare bulk rock electrical properties.
<b>Rock chip</b>	A technique of sampling rock outcrops for quantitative assaying.
<b>RTP</b>	Rotated to pole – a method of processing magnetics data to show the response that would be generated if the bodies were located at the magnetics pole.
<b>Shear</b>	A narrow, linear zone of rock deformation or faulting.
<b>Silicified</b>	Alteration of a rock to silica.
<b>Skarn</b>	A rock type formed by alteration of limestone by heat from an intrusive body.
<b>Sphalerite</b>	A zinc ore mineral composed of zinc, iron and sulphur

<b>Stock</b>	A relatively small intrusive body with generally circular or elliptical outline.
<b>Stockwork</b>	A closely spaced network of intersecting veins.
<b>Subduction zone</b>	The edge of an oceanic crustal plate where the denser oceanic crust is forced below lighter continental crust.
<b>Sulphide</b>	A type of mineral composed of a metal or metals combined with sulphur.
<b>Tectonic</b>	A term relating to major structures of the earth.
<b>Tenement</b>	Area of land defined by a Government authority over which the holder has the sole rights to mineral exploration or mining activities.
<b>Ultramafic</b>	Referring to igneous rocks composed dominantly of ferro-magnesian minerals.
<b>TMI</b>	Total Magnetic Intensity
<b>Vein</b>	A narrow, tabular or sheet-like body of rock or minerals.
<b>Weathering</b>	Set of processes at or near the surface whereby bedrock is broken up or decayed by physical or chemical processes.
<b>Zn</b>	Chemical symbol for zinc

## JORC Code, 2012 Edition – Table 1

### SECTION 1 - SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><b>Regional Data</b></p> <ul style="list-style-type: none"> <li>All data obtained from historical exploration programs by other companies, downloaded from NSW Minview website.</li> <li>Regional geology data downloaded from NSW Minview website.</li> <li>Stream sediment sample data restricted to -80# size fraction.</li> </ul> <p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>All sample data obtained from historical exploration reports by other companies.</li> <li>Stream sediment sample data downloaded from NSW DIGS website, restricted to -80# size fraction.</li> <li>Soil sampling data restricted to Silver Mines sampling, downloaded from NSW DIGS website. CRA soil sampling not in a digital format.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>All sample data obtained from historical exploration reports by other companies.</li> <li>Half NQ diamond drill core sampled over variable lengths as determined by alteration and lithology.</li> <li>Core cut along consistent orientation line where oriented core available</li> </ul> <p><b>Fender Project</b></p>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>• All sample data obtained from historical exploration reports by other companies.</li> <li>• Sampling methods largely unknown / not recorded.</li> </ul> <p><b>Elsinore Project</b></p> <ul style="list-style-type: none"> <li>• All sample data obtained from historical exploration reports by other companies.</li> <li>• Sampling methods largely unknown / not recorded.</li> </ul> <p><b>EL Applications</b></p> <ul style="list-style-type: none"> <li>• All sample data obtained from historical exploration reports by other companies.</li> <li>• Sampling methods largely unknown / not recorded.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>• Diamond core drilling by CRA – core size NQ (47.6mm diameter)</li> <li>• Percussion drilling by CRA – drillhole diameter not recorded</li> <li>• RC drilling by Silver Mines – drillhole diameter 120mm (4.75")</li> <li>• Core orientation not recorded.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>• Uralla Gold – pre-collar open hole hammer followed by aircore (diameter not recorded)</li> <li>• Sovereign Gold:</li> <li>• HQ/NQ/BQ Diamond core (63.5mm/47.6mm/37.5mm diameter)</li> <li>• No core orientation</li> <li>• Reverse Circulation drilling (diameter not recorded)</li> </ul> <p><b>Fender Project</b></p>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Percussion drilling at Fischers Mine (diameter not recorded).</li> </ul> <p><b>Elsinore Project</b></p> <ul style="list-style-type: none"> <li>No drilling reported.</li> </ul> <p><b>Tea Tree Project</b></p> <ul style="list-style-type: none"> <li>Pinnacle Gold - RC drilling at Shamrock prospect (diameter not recorded).</li> </ul> <p><b>Thor Project</b></p> <ul style="list-style-type: none"> <li>No drilling reported.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Sovereign Gold / Sugec Resources:</li> <li>HQ/ BQ Diamond core (63.5mm/37.5mm diameter)</li> <li>No core orientation</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Sample recovery:             <ul style="list-style-type: none"> <li>CRA diamond drillhole core recovery recorded for each drill run on hand-written drill logs.</li> <li>CRA percussion drillhole recovery not recorded</li> <li>Silver Mines RC drillholes recovery not recorded</li> <li>Measures taken to maximise sample recovery not recorded</li> </ul> </li> <li>Lithological logs:             <ul style="list-style-type: none"> <li>CRA drillhole logging on hand-written drill log sheets</li> </ul> </li> </ul>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>○ Silver Mines logging presented as summary logs</li> <li>● Relationship between sample recovery and grade not determined due to lack of data</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>● Sovereign Gold drill core logs not reported except for drillholes FF-ZK007 and FF-ZK0802.</li> <li>● Core recovery not recorded except for reported overall core recovery &gt;90% for drillholes FF-ZK007 and FF-ZK0802. No relationship observed between core recovery and mineralisation grade.</li> <li>● EL6483 2012 Annual Report states "low or zero core recovery of the main gold lode in 8 of the diamond drillholes" at Fraser's Find prospect (Leu, et al., 2012)</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>● Core recovery data not reported</li> </ul>
Logging	<ul style="list-style-type: none"> <li>● <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>● <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>● <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>● CRA percussion drilling - geological logging recorded on hand-written log sheets for entire drillhole lengths.</li> <li>● CRA diamond drilling – geological logging recorded on hand-written log sheets for entire drillhole lengths.</li> <li>● Silver Mines RC drilling – composite intervals based on lithology reported as tables in annual reports and in text files using the NSW drilling data template.</li> <li>● Qualitative logging of lithologies, alteration and sulphide contents recorded.</li> <li>● Level of detail insufficient for Mineral Resource Estimation without infill drilling or twinned drillholes.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Lack of lithological logging - insufficient detail to support Mineral Resource estimation</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Lithological data for percussion drilling at Fischers Mine recorded on hand-drawn drilling cross-sections.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Lithological logs not reported</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Sampling details not recorded.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Half core cut with diamond saw, along pre-marked orientation lines. Remaining core retained.</li> <li>Sample size is appropriate for the grain size of the material being sampled</li> <li>Sample preparation only reported for drillholes FF-ZK007 and FF-ZK0802 in Sovereign Gold's ASX announcement dated 17/11/2015.</li> <li>Samples crushed to 70% passing 6mm then riffle splitting and pulverizing to 85% passing 75 micron.</li> <li>Sampling details for other types of sample not recorded.</li> </ul> <p><b>Fender Project</b></p>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Sampling methods not recorded.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Standard laboratory lab sample preparation, samples pulverised to 85% passing 75 microns or better</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li><i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>CRA drilling – assay data recorded on hand-written drill logs. ALS Laboratory used for Tangoa prospect drillholes, not recorded for Webbs Consols or Wellingrove drillholes; assaying methods not recorded.</li> <li>Quality control methods not recorded.</li> <li>Silver Mines drilling – assay laboratory ALS Brisbane. Methods: Au-TL43 for Au; ICP43 for Ag, As, Bi, Cu, Fe, Pb, Sb, Zn; ME-XRF05 for Sn; OG46 for high grade samples.</li> <li>Quality control methods not recorded.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Drill core samples assayed for gold using 30g Fire Assay with AAS finish. Multi-element scans assayed by ICP-AES method (ALS ME-MS61)</li> <li>Quality control methods not recorded, apart from ALS routine QA/QC.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Sample preparation and assaying methods not recorded.</li> <li>Copper grades recorded on hand-written drilling cross-sections.</li> </ul> <p><b>Uralla West Project</b></p>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Assay methods:               <ul style="list-style-type: none"> <li>ALS – 4 acid digest with determination by ICP-AES &amp; ICP-MS; Au by fire assay with AAS finish using 30g sample</li> <li>Sovereign Gold –XRF analysis using Innov-X portable XRF analyser</li> </ul> </li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>CRA drilling:               <ul style="list-style-type: none"> <li>Verification of significant intersections not recorded.</li> <li>No twinned drillholes.</li> <li>Data entered into hand-written drill logs. Not transferred into digital database.</li> </ul> </li> <li>Silver Mines drilling:               <ul style="list-style-type: none"> <li>Verification of significant intersections not recorded.</li> <li>No twinned drillholes.</li> <li>Data entered into Excel spreadsheets and transferred to NSW drilling data templates in text format.</li> </ul> </li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Verification of significant intersections not recorded.</li> <li>Twinned drillholes – SGRDD014 &amp; SGRRC018</li> <li>Data entry procedures not documented – transferred to NSW drilling data templates in text format.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Verification of percussion drilling at Fischer's Mine not recorded.</li> <li>No twinned drillholes.</li> </ul> <p><b>Uralla West Project</b></p>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>No twinned drillholes</li> <li>No verification of significant intersections</li> <li>Data entry procedures not documented</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li><i>Specification of the grid system used.</i></li> <li><i>Quality and adequacy of topographic control.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>CRA drilling:             <ul style="list-style-type: none"> <li>Method of surveying of drillhole collars not recorded.</li> <li>Collar positions presented as plans using local grid.</li> <li>Method for transfer of collar data into NSW database not recorded.</li> <li>No CRA drillhole collars located during the site visit.</li> </ul> </li> <li>Silver Mines drilling:             <ul style="list-style-type: none"> <li>Collars surveyed with hand-held GPS, accuracy 5m. Grid system MGA94, Zone 56.</li> <li>Downhole surveys at 5m and end of hole for 2006 drilling, at 25m intervals for 2008 drilling. Survey instrument not recorded.</li> </ul> </li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Collars surveyed with hand-held GPS, accuracy 5m. Grid system MGA94, Zone 56</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Collar locations for percussion drilling at Fischer's Mine digitized from georeferenced plan. Method of surveying of collar locations not recorded.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Drillhole collars located using hand-held GPS units (accuracy ±5m)</li> </ul>

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Drillholes spaced at approximately 200m, not sufficient to establish Mineral Resources.</li> <li>Sample compositing using weighted average grades applied in determining intervals of significant mineralisation.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Drillhole at Martin's Shaft prospect: 44 drillholes within area of 220m x 150m, maximum depth 247m, sufficient to establish Mineral Resources if geological data can be found.</li> <li>Drillhole spacing at other prospects not sufficient to establish Mineral Resources.</li> <li>Sample compositing applied in determining intervals of significant mineralisation using weighted average grades.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Percussion drilling at Fischer's Mine – 11 drillholes covering area of ~280m x ~120m, maximum depth ~50m, not sufficient to establish Mineral Resources.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Close-spaced short drillholes</li> <li>Sample compositing not applied</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>CRA drilling - Drillholes oriented at right angles to strike of the main controlling structures.</li> <li>Orientation not likely to have led to sampling bias.</li> <li>Silver Mines drilling – drillholes oriented at variable directions to test for extensions of Webbs Consols deposit</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>should be assessed and reported if material.</i>	<p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Orientation of drillholes primarily at right angles relative to the strike of mineralisation and structures.</li> <li>Orientation not likely to have led to sampling bias except for drillhole SGRDD032 at Martin's Shaft, which drilled down the dip of the mineralized zone.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Percussion drilling at Fischer's Copper prospect designed to test extensions of mineralisation exposed in underground workings.</li> <li>Orientation not likely to have led to sampling bias.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Orientation of drillholes relative to mineralisation not understood</li> </ul>
Sample security	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Sample security measures not recorded.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Sample security measures not recorded.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Sample security measures not recorded.</li> </ul>

Criteria	JORC Code explanation	Commentary
Audits or reviews	<ul style="list-style-type: none"><li>The results of any audits or reviews of sampling techniques and data.</li></ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"><li>No audits or reviews of sampling techniques undertaken.</li></ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"><li>No audits or reviews of sampling techniques undertaken.</li></ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"><li>No audits or reviews of sampling techniques undertaken.</li></ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"><li>Sample security procedures not documented</li></ul>

## SECTION 2 - REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Tenement and land tenure status detailed in Sections 2.5 and 2.6 in the IGR.</li> <li>Native Title, Indigenous Heritage and Environmental issues detailed in Sections 2.7 and 2.9 in the IGR.</li> <li>Seven granted ELs with no impediments to exploration.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 7.2 in the IGR.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 8.2 in the IGR.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 9.2 in the IGR.</li> </ul> <p><b>Elsinore Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 10.2 in the IGR.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>IGR.</p> <p><b>Tea Tree Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 11.2 in the IGR.</li> </ul> <p><b>Thor Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 12.2 in the IGR.</li> </ul> <p><b>Uralla West Project</b></p> <ul style="list-style-type: none"> <li>Details of significant historical exploration by other companies detailed in Section 13.2 in the IGR.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p><b>Regional Geology</b></p> <ul style="list-style-type: none"> <li>Details of geological setting and mineralisation styles detailed in Section 4.1 and 4.2 in the IGR.</li> </ul> <p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Details of geological setting and style of mineralisation detailed in Section 7.4 in the IGR.</li> </ul> <p><b>Uralla Project</b></p>

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>Details of geological setting and style of mineralisation detailed in Section 8.4 in the IGR.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Details of geological setting and style of mineralisation detailed in Section 9.4 in the IGR.</li> </ul> <p><b>Elsinore Project</b></p> <ul style="list-style-type: none"> <li>Details of geological setting and style of mineralisation detailed in Section 10.4 in the IGR.</li> </ul> <p><b>Tea Tree Project</b></p> <ul style="list-style-type: none"> <li>Details of geological setting and style of mineralisation detailed in Section 11.4 in the IGR.</li> </ul> <p><b>Thor Project</b></p> <ul style="list-style-type: none"> <li>Details of geological setting and style of mineralisation detailed in Section 12.4 in the IGR.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>total drillhole length.</li> </ul> </li> <li>If the exclusion of this information is justified on the basis that the information is not Material and this</li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Drillhole collar information for Webbs Consols, Wellingrove and Tangoa Prospect listed in Section 7.7 in the IGR</li> <li>Drillhole collar information for the CRA drilling were recorded relative to local grids; the method for transformation into the GSNSW drilling database grid coordinates not specified.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Drillhole collar information for the Uralla Gold alluvial prospect recorded as grid references</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p>	<p>(±50m) in the exploration report. Dip and azimuth not recorded, but believed to be vertical. Transformation method into the GSNW drilling database grid coordinates not detailed.</p> <ul style="list-style-type: none"> <li>Drillhole collar information for the Sovereign Gold drillholes listed in Section 8.8 in the IGR.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Drillhole collars digitized off georeferenced plan.</li> <li>Drillhole dip, azimuth and length (recorded in feet) taken from hand-drawn drilling cross-sections.</li> <li>Details tabulated in Section 9.4 in the IGR.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Significant drillhole intervals calculated as weighted average using &gt;1% Pb / Zn cut-off grades.</li> <li>No metal equivalent values reported.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Significant drillhole intervals calculated as weighted average using &gt;0.5 g/t Au cut-off grades.</li> <li>No metal equivalent values reported.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Details of drilling not available.</li> </ul>
Relationship between mineralisation	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Relationship between drillhole intervals and mineralisation not fully understood as most drillholes failed to intersect significant mineralisation.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>widths and intercept lengths</i>	<ul style="list-style-type: none"> <li><i>reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>Significant intervals reported as downhole lengths.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Relationship between drillhole intervals and mineralisation not fully understood as most drillholes failed to intersect significant mineralisation.</li> <li>Significant intervals reported as downhole lengths.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Details of drilling not available.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Plans of drillhole collars and traces presented in Section 7.7 in the IGR, showing significant mineralisation intervals.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Plan of drillhole collar locations presented in Section 8.8 in the IGR.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Details of drilling not available.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should</i></li> </ul>	<p><b>Webbs Consols Project</b></p>

Criteria	JORC Code explanation	Commentary
	<p><i>be practiced to avoid misleading reporting of Exploration Results.</i></p>	<ul style="list-style-type: none"> <li>Plans showing significant results and locations of insignificant sampling presented in Section 7.7 in the IGR.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Plans showing significant results and locations of insignificant sampling presented in Section 8.6 in the IGR.</li> </ul> <p><b>Fender Project</b></p> <ul style="list-style-type: none"> <li>Plans showing significant results and locations of insignificant sampling presented in Section 9.3 in the IGR.</li> </ul>
<p><i>Other substantive exploration data</i></p>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Plan showing processed IP data presented in Section 7.6 in the IGR.</li> </ul> <p><b>Uralla Project</b></p> <ul style="list-style-type: none"> <li>Plans showing geophysics anomalies presented Section 8.5 in the IGR.</li> </ul>
<p><i>Further work</i></p>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided</i></li> </ul>	<p><b>Webbs Consols Project</b></p> <ul style="list-style-type: none"> <li>Recommendations for further work detailed in Section 7.11 in the IGR.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<i>this information is not commercially sensitive.</i>	<b>Uralla Project</b> <ul style="list-style-type: none"><li>• Recommendations for further work detailed in Section 8.10 in the IGR.</li></ul> <b>Fender Project</b> <ul style="list-style-type: none"><li>• Recommendations for further work detailed in Section 9.5 in the IGR.</li></ul> <b>Elsinore Project</b> <ul style="list-style-type: none"><li>• Recommendations for further work detailed in Section 10.5 in the IGR.</li></ul> <b>Tea Tree Project</b> <ul style="list-style-type: none"><li>• Recommendations for further work detailed in Section 11.5 in the IGR.</li></ul> <b>Thor Project</b> <ul style="list-style-type: none"><li>• Recommendations for further work detailed in Section 12.5 in the IGR.</li></ul>

Geos Mining project 2849-01

Lode Resources Limited : New England Projects

Independent Geologist's Report

SECTION 3 - ESTIMATION AND REPORTING OF MINERAL RESOURCES	SECTION 4 - ESTIMATION AND REPORTING OF ORE RESERVES
<b>Webbs Consols Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported</li> </ul>	<b>Webbs Consols Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported</li> </ul>
<b>Uralla Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported.</li> </ul>	<b>Uralla Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported.</li> </ul>
<b>Fender Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported</li> </ul>	<b>Fender Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported</li> </ul>
<b>Elsinore Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported.</li> </ul>	<b>Elsinore Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported</li> </ul>
<b>Tea Tree Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported.</li> </ul>	<b>Tea Tree Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported.</li> </ul>
<b>Thor Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported</li> </ul>	<b>Thor Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported</li> </ul>
<b>Uralla West Project</b> <ul style="list-style-type: none"> <li>No Mineral Resources reported.</li> </ul>	<b>Uralla West Project</b> <ul style="list-style-type: none"> <li>No Ore Reserves reported.</li> </ul>

GMI Minerals Consultants Pty Ltd (ABN 44 608 768 083) trading as Geos Mining

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SMELTER SLAG HEAP AT TROUGH GULLY MINE, FENDER COPPER PROJECT

## Section 7



**RESOURCES LEGAL PTY LTD**  
**ABN 67 097 228 870**

1A Rosemead Rd  
Hornsby NSW 2077

Telephone: +612 9476 4480

Liability limited by a scheme approved under  
Professional Standards Legislation

16 March 2021

The Directors  
Lode Resources Ltd  
Suite 4, 29 Kiora Road  
Miranda NSW 2228  
Australia

Dear Sirs

### **SOLICITOR'S REPORT ON TENEMENTS**

#### **1. INTRODUCTION**

This report is prepared for inclusion in a prospectus (**Prospectus**) for issue by Lode Resources Ltd (ACN 637 512 415) (**Lode Resources** or **Company**) to be lodged with the Australian Securities and Investments Commission for an Offer of between 25,000,000 and 37,500,000 Shares at an issue price of \$0.20 per Share to raise between \$5,000,000 and \$7,500,000.

The report relates to the mining tenements in which the Company holds an interest (**Tenements**). All of the Tenements are located in New South Wales (**NSW**). The attached Tenement Schedule (**Schedule**) and notes to the Schedule contain an overview of the Tenements.

The Company holds a 100% interest in all of the Tenements. There are no encumbrances registered against any of the Tenements.

#### **2. OPINION**

Based on our searches and enquiries, and subject to the assumptions and qualifications set out below, we confirm at the date of the searches that:

- (a) the details of the Tenements referred to in the Schedule are accurate as to the status and registered holder of the Tenements;
- (b) unless otherwise specified in this report, the Tenements are in good standing, and all applicable rents and levies have been paid;
- (c) there are no encumbrances or dealings registered against the Tenements;
- (d) none of the Tenements are subject to any unusual conditions of a material nature other than as disclosed in the Schedule; and
- (e) subject to the comments below relating to standard administrative authorisations, which are normally applied for at the time of finalising the details of individual exploration programs, or as otherwise detailed in this Prospectus, there are no legal, regulatory or

contractual impediments to the Company undertaking the proposed exploration on the Tenements as detailed elsewhere in the Prospectus.

### 3. SEARCHES

For the purpose of this report, we have obtained and reviewed:

- (a) searches of the Tenements in the mining tenement register maintained by the Division of Resources and Geoscience of the NSW Department of Planning and Environment (**DPE**) under the *Mining Act 1992* (NSW) and *Mining Regulation 2016* (NSW) (**Mining Act**) conducted on 16 March 2021; and
- (b) searches of the native title register maintained by the National Native Title Tribunal on 4 March 2021.

### 4. ASSUMPTIONS AND QUALIFICATIONS

In preparing this report:

- (a) we have assumed the accuracy and completeness of results of the searches of the registers maintained by the various government agencies;
- (b) we have been advised that there are no contracts, agreements or arrangements relating to the Tenements, with the exception of land access agreements summarised in Note 4 to the Schedule;
- (c) where any agreement, dealing or act (including disturbing the land for exploration) affecting the Tenements requires an authorisation, approval, permission or consent (**Authorisation**) under the Mining Act, or any other relevant legislation, we have assumed that Authorisation has been or will be granted in due course;
- (d) where any dealing in the Tenements has been lodged for registration but is not yet registered, we express no opinion as to whether the registration will be effected, or the consequences of non-registration;
- (e) we have assumed that the Company has complied with all applicable provisions of the Mining Act and all other legislation relating to the Tenements; and
- (f) we have not researched the underlying land tenure in respect of the Tenements to determine if:
  - (i) native title rights have or have not been extinguished, or the extent of any extinguishment; or
  - (ii) the Tenements encroach on any private land in which the rights to minerals have been reserved to the owner of the land.

### 5. TENEMENT SCHEDULE

The Schedule sets out a brief description of the Tenements and a summary of any encumbrances.

In relation to the area of each Tenement specified in the Schedule:

- (a) the area is described by units, given by one minute of latitude by one minute of longitude on the earth's surface. In the general location of the Tenements each unit is approximately 2.96 sq km in the New England Fold Belt, where the tenements are located. Areas given in sq km are therefore approximate only. It is not possible to verify those areas without conducting a survey; and
- (b) the area might be reduced by a number of exclusions, including the existence of mining leases, National Parks or reserves situated within the boundaries of the relevant Tenement.

## **6. BACKGROUND ON EXPLORATION LICENCES IN NSW**

The Tenements comprise seven exploration licences (prefix **EL**) granted under the Mining Act. The ELs are for Group 1 Minerals, comprising metallic minerals.

### **(a) Rights of a holder of an EL**

The rights of a holder of an EL are subject to compliance by that holder with the provisions of the Mining Act and the terms and conditions of the licence.

An EL gives the holder the exclusive right to explore for minerals over a specific area of land. The holder of an EL may, in accordance with the terms and conditions of the EL and subject to the Mining Act, conduct exploration activities on the land specified in the EL for the group of minerals specified in the licence.

An EL does not permit mining, and an EL holder will not necessarily be permitted to mine in the future if a discovery is made.

### **(b) Term and transfer**

An EL may be granted for up to six years, and may be extended by successive periods of up to six years, on application by the holder. However, ELs are generally granted and renewed for periods of three years, depending on the proposed work program and other factors. An EL may be transferred to another person upon approval by the Minister for Energy and Environment (**Minister**). In approving a transfer, the Minister may impose amended or additional conditions on the holder of the EL.

### **(c) Renewal**

An EL will not usually be renewed over more than half the number of units comprising the original EL unless the Minister is satisfied that special circumstances exist, including that the conditions of the licence have been satisfactorily complied with, the full area of the EL has been effectively explored, and the proposed work program satisfactorily covers the full area to be renewed.

Provided the above conditions of renewal continue to be met, we do not see any reason why the Minister would not grant a renewal of all of the units comprising the Tenements for further periods of three years.

### **(d) Conditions**

Each of the Tenements are subject to standard conditions that must be complied with, including expenditure to meet the annual proposed work program, payment of government fees, and the requirement to lodge annual technical reports. Standard conditions also stipulate that a tenement holder must obtain the consent of an officer of the DPE prior to conducting any ground disturbing work, and include basic environmental and rehabilitation conditions, such as the removal of all waste, capping of drill holes, etc.

The Minister's approval is required for a change of effective control of a licence holder. There is an exemption if the change of control occurs as a result of the acquisition of shares on a registered stock exchange.

Holders must also comply with the Exploration Codes of Practice, including the Environmental Management Code, the Rehabilitation Code, which requires the holder to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, and the Community Consultation Code. A Review of Environmental Factors and an Agricultural Impact Statement may be required for surface-disturbing exploration activities such as drilling.

Failure by the holder of an EL to comply with these conditions may render the EL liable to cancellation.

**(e) Environmental and planning legislation**

Licence holders may also be required to obtain approvals under and comply with environmental and planning and other legislation, including:

- (i) *Environmental and Planning Assessment Act 1979* (NSW);
- (ii) *Protection of the Environment Operations Act 1997* (NSW); and
- (iii) *Water Act 1912* and *Water Management Act 2000* (NSW).

**(f) Access agreements**

Prior to commencing exploration activities on private land, an access agreement must be entered into with the owner or occupier of the land<sup>1</sup>. Compensation is payable for any loss or damage caused by the activities<sup>2</sup>.

There are five access agreements in place, summarised in Note 4 to the Schedule.

**(g) Annual rents and levies**

An annual rental and an administrative levy are payable, based on the size of the EL. ELs are also subject to expenditure requirements in accordance with work programs approved by the DPE. These rental, levy and expenditure requirements are set out in the Schedule. Payment of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the EL liable to cancellation.

**7. ROYALTIES**

Tenement holders must pay royalties to the NSW government on minerals (including material containing minerals) obtained from a mining tenement. Royalties are payable quarterly and must be accompanied by a royalty return in the approved form. The holder of a mining tenement must provide a quarterly production report commencing at the expiration of the first quarter during which any mineral is produced or obtained from that mining tenement.

Royalty rates for Group 1 Minerals, comprising metallic minerals, are generally 4% of the value of the mineral recovered<sup>3</sup>.

**8. REHABILITATION SECURITIES**

The holder of a Tenement is required to lodge a security by way of a cash deposit or banker's undertaking for the performance of its rehabilitation and other obligations arising under the Tenement. The security for each of the Tenements is \$10,000.

**9. NATIVE TITLE****(a) Background**

Native title or claims for native title exist over parts of NSW.

The existence of a lodged claim does not necessarily mean that native title exists over the area claimed, nor does the absence of a claim necessarily indicate that no native title exists in an area. The existence of native title will be established under the determination of claims by the Federal Court.

The grant of a mining tenement is a 'Future Act' for the purposes of the *Native Title Act 1993* (Cth) (NTA)<sup>4</sup>. A Future Act is an activity or development on land or waters that affects native title. Native title claimants gain the "right to negotiate" in relation to the grant of certain mining

<sup>1</sup> Section 140 *Mining Act 1992* (NSW)

<sup>2</sup> Section 263 *Mining Act 1992* (NSW)

<sup>3</sup> Section 73, *Mining Regulation 2016* (NSW)

<sup>4</sup> Section 233, *Native Title Act 1993* (Cth)

tenements if their native title claim is registered at the time the government issues a notice, known as a section 29 notice, stating it intends to do the act, in this case grant the mining tenement, or if their claim becomes registered within four months after that notice.

**(b) Right to negotiate**

The right to negotiate applies in the main to the grant of a mining lease and describes a process whereby the tenement applicant and native title claimant must negotiate in good faith to attempt to resolve any potential concerns the native title claimants may have arising from the mining lease application or its grant. If the parties cannot reach agreement as to the terms of grant, a negotiation party may apply to the National Native Title Tribunal (**NNTT**) to make a determination as to whether the grant may proceed (and if so, on what conditions).

The right to negotiate process does not necessarily have to be followed in locations where an Indigenous Land Use Agreement (**ILUA**) has been negotiated with the relevant Aboriginal people and registered with the NNTT. In such cases the procedures set out in the ILUA must be followed for the ML to be granted.

**(c) Searches**

Searches conducted of the register maintained by the NNTT on 4 March 2021 showed that all of the Tenements overlap in part or whole with a registered native title claim by the Gomeroi People, which affects a large part of the New England area. The claim was registered in 2012 and has not yet been determined. The searches also showed that none of the Tenements is subject to a registered ILUA.

**(d) Effect of native title on the Tenements**

ELs are generally subject to a condition that requires the holder to obtain the Minister's consent before carrying out exploration activity on land where native title has not been extinguished. Ministerial consent will only be granted after the right to negotiate process has been followed, or the land on which native title has not been extinguished has been excised from the EL. The grant of a mining lease over land where native title has not been extinguished is also subject to the right to negotiate process.

The DPE has published guidelines on the evidence required to demonstrate extinguishment of native title. Native title has been wholly extinguished over much of NSW, including through the grant of freehold estates, leases in perpetuity for grazing purposes under the *Western Lands Act 1901*, and the establishment of public works.

**(e) Compensation**

The Mining Act makes mining tenement holders liable for any native title compensation that may be payable as a result of the grant of the mining tenement<sup>5</sup>. If the existence of native title is proven over any of the land subject to the Tenements, and the native title holders make an application to the Federal Court for compensation, the Tenement holder may be liable to pay any compensation awarded.

## **10. ABORIGINAL HERITAGE**

**(a) Commonwealth**

The *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* (Cth) (**Commonwealth Heritage Act**) is aimed at the preservation and protection of any Aboriginal areas and objects that may be located on the Tenements.

Under the Commonwealth Heritage Act, the Minister for Aboriginal Affairs may make interim or permanent declarations of preservation in relation to significant Aboriginal areas or objects,

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<sup>5</sup> Section 281B *Mining Act 1992* (NSW)

which can affect exploration activities. Compensation is payable by the Minister to a person who is, or is likely to be, affected by a permanent declaration of preservation.

**(b) New South Wales**

Under the *National Parks and Wildlife Act 1974 (NSW)* (**NSW Heritage Act**), land containing Aboriginal objects or sites may be reserved as an "Aboriginal area" for the purpose of identifying, protecting and conserving such objects or sites. It is unlawful to prospect or mine for minerals in an Aboriginal area unless expressly authorised by an Act of Parliament or, among other things, an authority issued under the Mining Act. Subject to this exception, the NSW Heritage Act excludes the application of the Mining Act to lands in an Aboriginal area.

The NSW Heritage Act also authorises the Minister to declare a place that is or was of special significance to Aboriginal culture to be an 'Aboriginal place' and makes it an offence knowingly to destroy, deface or damage, or knowingly to permit the destruction, defacement of or damage to, an Aboriginal object or "Aboriginal place" without the consent of the Director-General.

**(c) Heritage surveys**

To satisfy the obligations under the relevant Heritage Act, tenement holders commonly undertake Aboriginal heritage surveys, which involve the relevant traditional owners and as necessary, an archeologist or anthropologist walking the land, identifying sites and discussing the impact of proposed exploration activity. The costs of a heritage survey are met by the tenement holder.

**(d) Heritage searches**

Searches of the Aboriginal Heritage Information Management System maintained by the Office of Environment and Heritage (NSW) were obtained by Geos Mining. The searches showed that the Tenements contain a number of known Aboriginal sites, including two "closed sites", as shown in Appendix 2 of the Independent Geologist's Report by Geos Mining dated 16 March 2021. The Company will review the location of each site when planning its exploration programs so as to ensure that activities near Aboriginal sites meet the requirements of the Commonwealth Heritage Act and the NSW Heritage Act.

There are currently no Aboriginal heritage agreements or arrangements in place affecting the Tenements.

## **11. CONSENT**

This report is made on 16 March 2021 and relates only to the laws in force on that date. Resources Legal Pty Ltd has consented to the inclusion of this report in the Prospectus in the form and context in which it is included and has not withdrawn that consent prior to the lodgment of the Prospectus with ASIC.

## **12. DISCLOSURE OF INTEREST**

Resources Legal Pty Ltd will be paid normal and usual professional fees for the preparation of this report and related matters, as set out elsewhere in the Prospectus.

Yours faithfully



**Daven Timms**  
**Director Principal**  
**Resources Legal Pty Ltd**

## SCHEDULE – TENEMENTS

Tenement	Holder	No units/ approx. area sq km <sup>1</sup>	Grant Date	Expiry Date	Annual rental and levy <sup>2</sup>	Proposed expen- diture <sup>3</sup>	Encum- brances
EL 8933 "Webbs Consol" <sup>4</sup>	Lode	16/47	16.01.2020	16.01.2023	\$1,060	\$40,000	Nil
EL 8980 "Uralla" <sup>4</sup>	Lode	80/237	14.05.2020	14.05.2023	\$4,900	\$60,000	Nil
EL 9003 "Fender" <sup>4</sup>	Lode	76/225	12.10.2020	12.10.2023	\$4,660	\$45,000	Nil
EL 9004 "Elsinore" <sup>4</sup>	Lode	32/95	12.10.2020	12.10.2023	\$2,020	\$30,000	Nil
EL 9084 "Tea Tree"	Lode	24/71	11.3.2021	11.3.2024	\$1,540	\$35,000	Nil
EL 9085 "Thor"	Lode	78/231	11.3.2021	11.3.2024	\$4,780	\$45,000	Nil
EL 9087 "Uralla West"	Lode	22/65	12.3.2021	12.3.2024	\$1,420	\$20,000	Nil

### Abbreviations

Lode = Lode Resources Ltd

### Notes

1. One unit is the area bounded by one minute of latitude by one minute of longitude and, depending on the location in NSW, comprises an area of approximately 2.96 square kilometres.
2. The annual tenement rental is \$60 per unit. The annual administrative levy is 1% of the security deposit (1% of \$10,000 = \$100 for most tenements). The renewal application fee is \$2,000 plus \$12.50 per unit per year applied for, eg renewal fee for 100 unit EL for three years is \$2,000 plus \$37.50 x 100 = \$5,750.
3. Proposed expenditure in the current year of the licence term, to be met through current exploration work programs approved by the DPE. For example, EL 8933 requires an expenditure of \$40,000 in the 12 months to 16.01.2022. Work may include geological mapping, rock chip sampling, soil geochemical surveys, geophysical surveys, modelling of results, drilling and core logging.
4. The Company has entered into access agreements with relevant landowners over the main targets on four ELs, containing customary terms and rates of compensation.



MASSIVE SULPHIDE VEINING AT TROUGH GULLY MINE, FENDER COPPER PROJECT

## Section 8



The Directors  
Lode Resources Limited  
Level 30, 264-278 George Street  
SYDNEY NSW 2000

Dear Directors,

### INDEPENDENT ACCOUNTANT'S REPORT

#### INDEPENDENT LIMITED ASSURANCE REPORT ON LODE RESOURCES LIMITED'S HISTORICAL FINANCIAL INFORMATION

##### 1. Introduction

PKF Corporate Finance (NSW) Pty Limited ("**PKFCF**", "**We**", "**Us**") have been engaged by Lode Resources Limited ("**Lode**" or the "**Company**") to prepare this report for inclusion in the Prospectus (the "**Prospectus**") to be dated on or about 13 April 2021 relating to the issue of ordinary shares in the Company and Listing on the Australian Securities Exchange ("**ASX**") ("**Listing**").

Expressions defined in the Prospectus have the same meaning in this report, unless otherwise specified.

##### 2. Scope

You have requested PKFCF to perform a limited assurance engagement in relation to the pro-forma historical financial information described below and disclosed in the Prospectus.

##### 2.1. Historical Financial Information

The Pro forma Historical Financial Information comprises the pro forma historical statement of financial position as at 31 December 2020, which reflects the impact of the Pro forma Adjustments (as described in the Prospectus) on the financial position of the Company.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial report prepared in accordance with the Corporations Act 2001.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the Pro forma Adjustments relate, as described in Section 5 of the Prospectus. Due to its nature, the Pro forma Historical Financial Information does not represent the Company's actual or prospective financial position.

The Pro forma Historical Financial Information has been compiled by the Company to illustrate the impact of the Offer and associated transactions on the Company's financial position as at 31 December 2020.

The financial statements of the Company for the period from incorporation (18 November 2019) to 30 June 2020 were audited by PKF(NS) Audit & Assurance Limited Partnership in accordance with International Auditing Standards. The audit opinion issued to shareholders of the Company relating to those financial statements was unqualified.

The financial statements of the Company for the six months ended 31 December 2020 were reviewed by PKF(NS) Audit & Assurance Limited Partnership in accordance with International

PKF Corporate Finance (NSW) Pty Limited  
ABN 65 097 893 957  
AFSL 295 872

Sydney  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

Newcastle  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

PKF Corporate Finance (NSW) Pty Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit [www.pkf.com.au](http://www.pkf.com.au)



Auditing Standards. The review opinion issued to shareholders of the Company relating to those financial statements was unqualified.

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation.

### 3. Directors' Responsibilities

The directors of the Company are responsible for the preparation of the Pro forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the Statutory Historical Financial Information;

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

### 4. Our Responsibilities

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, based on the review procedures performed and the evidence obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and / or Prospective Financial Information*.

Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures to the accounting records in support of the Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

### 5. Conclusions

#### 5.1. Review statement on the Pro forma Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as set out in Section 5 of the Prospectus, comprising:

- the statutory historical statements of profit or loss and other comprehensive income of Lode Resources Limited for the period from incorporation (18 November 2019) to 30 June 2020 and the six months ending 31 December 2020;
- the statutory historical statements of cash flows of Lode Resources Limited for the period from incorporation (18 November 2019) to 30 June 2020 and the six months ending 31 December 2020; and
- the pro forma historical statement of financial position of Lode Resources Limited as at 31 December 2020.

is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in Section 5 of the Prospectus, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and the Company's accounting policies.

## 6. General Advice Warning

This report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

## 7. Independence

PKFCF does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. PKFCF will receive a professional fee for the preparation of this Independent Limited Assurance Report.

## 8. Restriction on Use

Without modifying our conclusions, we draw attention to Section 5 of the Prospectus, which describes the purpose of the Historical Financial Information, being for inclusion in the Prospectus. As a result, the Historical Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the Historical Financial Information to which it relates, for any purpose other than that for which it was prepared.

## 9. Consent

PKFCF has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is so included but has not authorised the issue of the Prospectus. Accordingly, PKFCF makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

Yours faithfully

**PKF Corporate Finance (NSW) Pty Limited**



**Andrew Jones**  
Executive Director



**Vikas Nahar**  
Executive Director

## PART TWO – FINANCIAL SERVICES GUIDE

13 April 2021

### What is a Financial Services Guide?

This Financial Services Guide ("FSG") is an important document the purpose of which is to assist you in deciding whether to use any of the general financial product advice provided in the form of an investigating accountant's report by PKF Corporate Finance (NSW) Pty Limited (ABN 65 097 893 957) ("PKFCF"). The use of "we", "us" or "our" is a reference to PKFCF as the holder of Australian Financial Services Licence ("AFSL") No. 295872.

The contents of this FSG include:

- who we are and how we can be contacted;
- what services we are authorised to provide under our AFSL;
- how we (and any other relevant parties) are remunerated in relation to any general financial product advice we may provide;
- details of any potential conflicts of interest; and
- details of our internal and external dispute resolution systems and how you can access them.

### Information about us

#### What financial services are we licensed to provide?

The AFSL we hold authorises us to provide the following financial services to both retail and wholesale clients:

Provide financial product advice for the following classes of financial products:

- securities;
- interests in managed investment schemes excluding investor directed portfolio services; and
- deposit and payment products limited to;
  - o basic deposit products;
  - o deposit products other than basic deposit products; and
  - o debentures, stocks or bonds issued or proposed to be issued by a government.

#### Our responsibility to you

We have been engaged by the Directors of Lode Resources Limited ("Client") to prepare an independent limited assurance report providing a review opinion (negative assurance) with respect to the financial information set out in Section 5 of the Prospectus to be issued by the Client on or around 13 April 2021. You are not the party or parties who engaged us to prepare the Report. We are not acting for any person other than the party or parties who engaged us. We are required by law to give you an FSG because the Report is being provided to you.

The liability of PKFCF is limited to the contents of this FSG and the Report referred to in this FSG.

### Information about the general financial product advice we provide

The financial product advice provided in the Report is known as "general advice" because it does not take into account your personal objectives, financial situation or needs. You should consider whether the general advice contained in the Report is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is being provided to you in connection with the acquisition or potential acquisition of a financial product issued by another party, we recommend you obtain and read carefully the relevant offer document provided by the issuer of the financial product. The purpose of the offer document is to help you make an informed decision about the acquisition of a financial product. The contents of the offer document will include details such as the risks, benefits and costs of acquiring the particular financial product.

PKF Corporate Finance (NSW) Pty Limited  
ABN 65 097 893 957  
AFSL 295 872

**Sydney**  
Level 8, 1 O'Connell Street  
Sydney NSW 2000 Australia  
GPO Box 5446 Sydney NSW 2001  
p +61 2 8346 6000  
f +61 2 8346 6099

**Newcastle**  
755 Hunter Street  
Newcastle West NSW 2302 Australia  
PO Box 2368 Dangar NSW 2309  
p +61 2 4962 2688  
f +61 2 4962 3245

PKF Corporate Finance (NSW) Pty Limited is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit [www.pkf.com.au](http://www.pkf.com.au)

### Associations and relationships

PKFCF provides services primarily in the area of corporate finance and is controlled by the Directors of PKF (NS) Holdings Pty Ltd ("**PKF**"). PKF and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services. Our directors may be directors of PKF. The financial product advice in the Report is provided by PKFCF and not by PKF.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and PKF (and its related bodies corporate) may from time to time provide professional services to financial product issuers in the ordinary course of business.

### How are we and our employees remunerated?

We charge fees for providing Reports. Fees are agreed with the party or parties who actually engage us, and we confirm our remuneration in a written letter of engagement to the party or parties who actually engage us. Our fees are usually determined on an hourly basis. However, they may be a fixed amount or derived using another basis. We may also seek reimbursement of any out-of-pocket expenses incurred in providing the services. The estimated fee for the Report is approximately \$27,000 (exclusive of GST and out-of-pocket expenses).

Neither PKFCF, nor its directors and officers, receive any commissions or other benefits arising directly from providing Reports to you. The remuneration paid to our directors and staff reflects their individual contribution to the company and covers all aspects of performance. We do not pay commissions or provide other benefits to other parties for referring prospective clients to us.

### What should you do if you have a complaint?

If you have any concerns regarding the Report, you may wish to advise us. Our internal complaint handling process is designed to respond to your concerns promptly and equitably. Please address your complaint in writing to:

AFS Compliance Manager  
PKF Corporate Finance (NSW) Pty Limited  
GPO Box 5446  
SYDNEY NSW 2001  
Telephone: +61 2 8346 6000 Fax: +61 2 8346 6099

If you are not satisfied with the steps we have taken to resolve your complaint, you may contact the Financial Ombudsman Service ("**FOS**"). FOS provides free advice and assistance to consumers to help them resolve complaints relating to members of the financial services industry. Complaints may be submitted to FOS at:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Telephone: (03) 9613 7366 Fax: (03) 9613 6399  
Internet: <http://www.fos.org.au>

The Australian Securities and Investments Commission ("**ASIC**") regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit taking and credit. Their website contains information on lodging complaints about companies and individual persons and sets out the types of complaints handled by ASIC. You may contact ASIC as follows:

Info line: 1 300 300 630  
Email: [infoline@asic.gov.au](mailto:infoline@asic.gov.au)  
Internet: <http://www.asic.gov.au/asic/asic.nsf>

### Contact details

You may contact us using the details located below.

PKF Corporate Finance (NSW) Pty Limited  
Level 8  
1 O'Connell Street  
SYDNEY NSW 2000  
GPO Box 5446  
SYDNEY NSW 2001  
Telephone: +61 2 8346 6000 Fax: +61 2 8346 6099



SMELTER SLAG AT TROUGH GULLY MINE, FENDER COPPER PROJECT

## Section 9

# Key Individuals, Interests and Benefits

### 9.1 BOARD OF DIRECTORS

The Directors bring relevant experience and skills to the Board, including mineral exploration, industry and business knowledge, financial management and corporate governance experience. As at the date of this Prospectus, the Board comprises of the four Directors, as detailed below.

Details of the Directors' remuneration and interests in the Company are set out in section 9.4 below.

#### (a) Mr Edward Jan Leschke – non-independent Managing Director

Mr Edward Jan Leschke has over 30 years' experience in the resources industry. Mr Leschke was formerly the managing director of an ASX listed mining company, Equus Mining Limited (ASX: EQE), overseeing areas such as start-up process, project identification, acquisition and generation, geological mapping, exploration drilling, local community and government liaison, financial management, strategy setting, fund raisings, ASX listing and statutory reporting.

Mr Leschke previously also worked as a resources analyst in stockbroking and funds management companies as well as a geologist in the mining industry.

#### (b) Mr Andrew Van Heyst – non-independent Executive Chair

Mr Andrew Van Heyst has over 30 years' experience in institutional equities and advisory. Mr Van Heyst previously worked at Merrill Lynch in New York as head of Australian sales and for ABN AMRO Bank N.V. 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 Ltd as a corporate advisor focussing on small-cap resources.

Mr Van Heyst is currently an executive director at Bridge Street Capital Partners Pty Ltd.

#### (c) Mr Keith Mayes – independent Non-Executive Director

Mr Keith Mayes has over 30 years' experience in the resources sector in exploration, business development, operational and financial roles with major mining companies including North Ltd, Newmont, Rio Tinto Limited and Oxiana Ltd in Australia, Europe, the Middle East and Africa. Mr Mayes is currently general manager of Australian Garnet Pty Ltd, a subsidiary of Resource Development Group Ltd, and formerly chief operating officer at ASX listed KGL Resources Ltd ASX: KGL) that is undertaking exploration and development of the large Jervois copper/silver/gold project in central Australia and chief operating officer at Altura Mining Ltd where he discovered the world class Pilgangoora lithium deposit.

#### (d) Mr Jason Beckton – independent Non-Executive Director

Mr Jason Beckton has over 25 years of geological corporate experience in Australia, North and South America, China and Albania. Mr Beckton was project manager for Bolnisi Gold NL's Palmarejo silver/gold project in Mexico, managing a program that defined 3.1 moz AuEq. He managed the discovery of Canadian company Exeter Resource Corporation's 30 moz AuEq Caspiche Porphyry Prospect in the Maricunga Gold Copper Belt of Chile. He was managing director of formerly ASX listed Chinalco Yunnan Copper Resources Limited, which explored copper districts in Mt Isa, Lao and Chili. Mr Beckton was formerly on the advisory board of exploration private equity investor EPG Partners S.A. in Chile.

Mr Beckton holds a Bachelor of Science from Melbourne University and a Masters of Economic Geology from the University of Tasmania. Mr Becton is currently managing director of ASX listed Prospech Ltd (ASX: PRS), Jamieson Minerals Pty Ltd and Cipango Pty Ltd.

## 9.2 MANAGEMENT

The Company's Management comprises of the following:

### (a) Mr Marcelo Mora – Company Secretary and acting CFO

Mr Marcelo Mora holds a Bachelor of Business degree and Graduate Diploma of Applied Corporate Governance. Mr Mora has been an accountant for more than 30 years and has experience in resources and mining companies both in Australia and internationally, providing financial reporting and company secretarial services to a range of publicly listed companies.

### (b) Mr Mitchell Tarrant – Project Manager

Mr Mitchell Tarrant has over 12 years' experience in the resources sector working as a geologist in both exploration and mining roles with companies including Red River Resources, Hillgrove Mines and Crocodile Gold.

His most recent role prior to joining the Company was at the Hillgrove Mine where he held the statutory position of mining engineering manager. Mr Tarrant also managed Hillgrove's 51 tenements and worked on various exploration activities from geological mapping to managing drilling campaigns.

Mr Tarrant is a member of the Australasian Institute of Mining and Metallurgy.

## 9.3 DIRECTORS' DISCLOSURE

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years that requires disclosure in this Prospectus.

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

## 9.4 DIRECTORS' REMUNERATION AND INTERESTS IN SHARES AND OTHER SECURITIES OF THE COMPANY

The Company has paid or agreed to pay the following remuneration of each Director for the financial year following the Company being listed on the ASX:

**Table 26:** Summary of proposed Board remuneration and compensation

Director	Fees	Other
Mr Edward Jan Leschke	\$200,000 excluding superannuation	Nil
Mr Andrew Van Heyst	\$125,000 excluding superannuation	Nil
Mr Keith Mayes	\$50,000 including superannuation (excluding GST)	500,000 Options
Mr Jason Beckton	\$50,000 including superannuation (excluding GST)	500,000 Options

**Note:** See sections 9.6 and 9.7 for details on the Option issued to Mr Mayes and Mr Beckton.

Each Director's Relevant Interest in securities of the Company at the date of this Prospectus is set out in Table 27 below:

**Table 27:** Summary of Directors' security holdings

Director	Shares	% Holding	Other Securities
Mr Edward Jan Leschke	20,250,001	37.23%	Nil
Mr Andrew Van Heyst	20,250,001	37.23%	Nil
Mr Keith Mayes	300,000	0.55%	Nil
Mr Jason Beckton	200,000	0.37%	Nil

Except as disclosed in this Prospectus:

- (a) no Director has been paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, either to induce him or to become, or to qualify him or her as, a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer; and
- (b) none of the following persons:
  - (i) a Director of the Company;
  - (ii) each person named in this Prospectus as performing a function in a profession, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
  - (iii) a promoter of the Company, holds or held in the two years before the date of this Prospectus, an interest in:
    - (A) the formation or promotion of the Company;
    - (B) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
    - (C) the Offer,

or was at any time paid or agreed to be paid any amount, or has been given or agreed to be given any other benefit, for services provided by such person in connection with the formation or promotion of the Company or the Offer.

## 9.5 EXECUTIVE REMUNERATION

### (a) Mr Andrew Van Heyst – Executive Chair

The Company has entered into an Executive Service Agreement with Mr Andrew Van Heyst including a letter of appointment for the purposes of discharging his role of Executive Chair. These arrangements are summarised in section 11.2 of this Prospectus. Under the arrangement, Mr Van Heyst is entitled to a base remuneration of \$125,000 per annum (plus superannuation). Under Mr Van Heyst's agreement with the Company, the Company is also obligated to reimburse Mr Van Heyst for certain reasonable expenses incurred in the provision of his services to the Company.

### (b) Mr Edward Jan Leschke – Managing Director

The Company has entered into an agreement with Mr Edward Jan Leschke and a letter of appointment with Mr Leschke for the purposes of discharging his role of Managing Director. These arrangements are summarised in section 11.2 of this Prospectus. Under the arrangement, Mr Leschke is entitled to a base remuneration of \$200,000 per annum (plus statutory superannuation of 9.5%). Under Mr Leschke's agreement with the Company, the Company is also obligated to reimburse Mr Leschke for certain reasonable expenses incurred in the provision of his services to the Company.

## 9.6 NON-EXECUTIVE DIRECTOR REMUNERATION

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. Additionally, Non-Executive Directors will be entitled to be reimbursed for properly incurred expenses in connection with any meeting of Directors, any meeting of a committee of the Board and otherwise in the execution of their duties as Non-Executive Directors.

Each of the Non-Executive Directors has been appointed pursuant to an appointment letter that sets out the terms of their appointment and remuneration. If a Non-Executive Director performs services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director in addition to or instead of the remuneration referred to above.

**(a) Mr Keith Mayes – Non-Executive Director**

Mr Keith Mayes has entered into a Non-Executive Director Letter of Appointment with the Company dated 10 March 2020 confirming his appointment as a Non-Executive Director of the Company. The Non-Executive Director Letter of Appointment is in standard form and details the nature of Mr Mayes' appointment, his duties and his remuneration.

Mr Mayes is entitled to receive a total annual fee of \$50,000 (including superannuation and excluding GST) paid monthly in arrears. Mr Mayes will also be granted 500,000 Options as an incentive component of his remuneration subject to the Company listing on the ASX. The Options are exercisable at \$0.30 per Option and expire 2 years from the Company's listing date. Mr Mayes will also be reimbursed for all expenses reasonably incurred in performing his duties.

**(b) Mr Jason Beckton – Non-Executive Director**

Mr Jason Beckton has entered into a letter of appointment with the Company dated 29 September 2020 confirming his appointment as a Non-Executive Director of the Company. The letter of appointment is in standard form and details the nature of Mr Beckton's appointment, his duties and his remuneration.

Mr Beckton is entitled to receive a total annual fee of \$50,000 (including superannuation and excluding GST) paid monthly in arrears. Mr Beckton will also be granted 500,000 Options as an incentive component of his remuneration subject to the Company listing on the ASX. Options are exercisable at \$0.30 per Option and expire 2 years from the Company's listing date. Mr Beckton will also be reimbursed for all expenses reasonably incurred in performing his duties.

## 9.7 TERMS OF PROPOSED ISSUE OF OPTIONS TO NON-EXECUTIVE DIRECTORS

The terms of the proposed Options to be issued to the Non-Executive Directors are set out in the Non-Executive Director Letters of Appointment and are as follows:

- (a) vest on the date the Company successfully lists on the ASX;
- (b) become exercisable upon the Company listing on the ASX;
- (c) expire in 2 years from listing; and
- (d) are exercisable at \$0.30 per Option for one Share.

## 9.8 OFFICER'S ACCESS & INDEMNITY DEEDS

The Company has entered into a deed of access, indemnity and insurance with each Director that contains the Director's right of access to certain books and records of the Company for the period from the date of the deed until seven years after the Director ceases to hold office of the Company. This seven-year period can be extended where certain proceedings or investigations commence before that seven-year period expires.

At present, there is no pending litigation or proceeding involving a Director or Officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

The Company intends to obtain insurance policies that indemnify its Directors and Officers against various liabilities that might be incurred by any Director or Officer in his or her capacity as such.

## 9.9 EMPLOYEE INCENTIVE PLAN

On 6 November 2020, the Board adopted an employee incentive plan (**Employee Option Plan**).

The Employee Option Plan is governed by the Employee Option Plan Rules (**Rules**). The Rules were adopted by the Board on 6 November 2020. The key terms of the Rules are listed below. Capitalised terms used in this section 9.9 and not defined in the Glossary in Schedule 7 have the meaning given to them in the Rules:

### (a) (Purpose)

The purpose of the Employee Option Plan is to provide Eligible Persons with an opportunity to acquire Options. By doing so, the Employee Option Plan seeks to provide Eligible Persons with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to Shareholders. The Employee Option Plan is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company.

### (b) (Eligibility)

An Eligible Person is defined as:

- (i) an employee of a Group Company;
- (ii) an executive Director, a non-executive Director or a company secretary of a Group Company; or
- (iii) a person who satisfied paragraph (i) or (ii) of this definition during the 12 months immediately before the date of the letter of Offer issued to that person,

other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Group (or has given notice of resignation in order to avoid such dismissal); or

- (iv) a contractor or consultant who provides services to a Group Company.

Subject to the Rules, the Board or its Delegate may in its absolute discretion from time to time invite Eligible Persons to apply for Options under the Employee Option Plan on the terms set out in the Rules and any other terms the Board considers appropriate.

### (c) (Form of equity)

The Offer under the Employee Option Plan is for Options to subscribe for fully paid ordinary shares in the Company.

### (d) (Terms of Employee Option Plan)

The key terms of the Employee Option Plan are:

- (i) Each Option entitles Participants to subscribe for Share(s) in the Company.
- (ii) The number of Options offered to Participants will be set out in a letter of offer.
- (iii) No consideration is payable for the grant of the Options.
- (iv) The ability to exercise the Options and thereby acquire the Shares is subject to the satisfaction of the vesting conditions specified in the Rules (**Vesting Conditions**).
- (v) The Options may lapse in the event that a Participant ceases to be employed, contracted or engaged by a Group Company and is deemed to be a Bad Leaver.
- (vi) The Options cannot be disposed of or otherwise dealt with by Participants without consent by the Board.

### (e) (Vesting and Exercise)

The Options will vest, and become exercisable, subject to the satisfaction of the Vesting Conditions. The objective of the Vesting Conditions is to encourage improvement of the Company's performance by providing a long term incentive for Eligible Persons.

Once the Options have vested and become exercisable (**Vested Options**), the Vested Options are exercisable by the Participant at any time up until the latest time at which these Options may be exercised.

To exercise the Vested Options, the Participant will be required to complete and provide to the Company a Notice of Exercise Form and a deed of accession to any shareholders agreement or deed between the Company's Shareholders (if any).

**(f) (Lapse or forfeiture)**

Any of the Options that have not been exercised by the relevant latest time as that these Options may be exercised will lapse.

When a Participant ceases to be an officer or employee or contractor of a Group Company and the Participant is a Good Leaver:

- (i) all Unvested Options will be automatically forfeited and automatically lapse; and
- (ii) the Participant will have up to 30 days to exercise any Vested Options, after which the Vested Options will lapse, unless the Board determines otherwise.

If the Participant is a Bad Leaver, all Options (whether they are Unvested Options or Vested Options) will be automatically forfeited and automatically lapse.

Any issue of any Shares as a result of exercising the Options is subject to the Company's shareholders' deed (if one exists) and any required Shareholder approval under the Applicable Law.

**(g) (Alteration of capital and reconstructions)**

Subject to the Applicable Law, if the Company makes any new issue of securities or alterations to its capital by way of a right issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the rights attaching to those Options (including, without limitation, to the number of Shares that may be acquired on exercise of the Options and the Exercise Price of an Option) on any basis it deems fit in its discretion.

**(h) (New issue)**

Subject to the Applicable Law, unless the Board determines otherwise, a Holder is only entitled to participate (in respect of Options granted under the Employee Option Plan) in a new issue of Shares to Existing Shareholders of the Company if the Holder has validly exercised the Holder's Options and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the Holder is the registered holder.

**(i) (Shares)**

The Shares issued on exercise of the Options will rank equally with the ordinary shares in the Company already on issue. No securities have been issued under the Employee option Plan as at the date of this Prospectus.

**9.10 RELATED PARTY TRANSACTIONS**

Chapter 2E of the Corporations Act governs related party transactions with respect to public companies.

Related parties include Directors and entities controlled by Directors. Related party transactions require Shareholder approval unless they fall within one of the exceptions in Chapter 2E. Transactions entered into by proprietary companies are not regulated by Chapter 2E.

Transactions with related parties that may be captured under Chapter 2E of the Corporations Act are set out below:

- (a) Executive Service Agreement in respect of Mr Andrew Van Heyst;
- (b) Executive Service Agreement in respect of Mr Edward Jan Leschke;
- (c) Non-Executive Director Letter of Appointment in respect of Mr Keith Mayes;
- (d) Non-Executive Director Letter of Appointment in respect of Mr Jason Beckton; and
- (e) the Company has adopted an Employee Option Plan that was adopted by the Company on 6 November 2020. The Company has not issued Options under the Employee Option Plan.

The benefits provided for under the agreements described above are considered to be reasonable remuneration for the purposes of section 211 of the Corporations Act and as such member approval was not required.

The Directors have been issued Shares according to the details set out below in Table 28.

The Company was converted from a proprietary Company to a public company on 17 December 2020. Any issue of Shares to Directors prior to 17 December 2020 did not require Shareholder approval. All Shares issued to Directors following 17 December 2020 were issued on arm's length terms and therefore no Shareholder approval was required pursuant to section 210 Corporations Act.

**Table 28:** Key details of Shares issued to Directors

	First issue	Second issue	Third issue
<b>Mr Andrew Van Heyst</b>			
<b>Entity to which shares were issued</b>	Andrew Van Heyst Superannuation Pty Ltd	Andrew Van Heyst Superannuation Pty Ltd	Andrew Van Heyst Superannuation Pty Ltd
<b>Date of issue</b>	18 November 2019	16 March 2020	5 January 2021
<b>Number of Shares issued</b>	1	20,000,000	250,000
<b>Mr Edward Jan Leschke</b>			
<b>Entity to which shares were issued</b>	Augusta Enterprises Pty Ltd	Augusta Enterprises Pty Ltd	Augusta Enterprises Pty Ltd
<b>Date of issue</b>	16 March 2020	16 March 2020	5 January 2021
<b>Number of Shares issued</b>	1	20,000,000	250,000
<b>Mr Keith Mayes</b>			
<b>Entity to which shares were issued</b>	Keith Anthony Mayes and Ann-Marie Anderson-Mayes as the trustee for the Tinhay Family Trust	Keith Anthony Mayes and Ann-Marie Anderson-Mayes as the trustee for the Tinhay Family Trust	–
<b>Date of issue</b>	22 May 2020	12 June 2020	–
<b>Number of Shares issued</b>	200,000	100,000	–
<b>Mr Jason Beckton</b>			
<b>Entity to which shares were issued</b>	Beckton Gledhill Pty Ltd as trustee for the Beckton Gledhill Family Trust	–	–
<b>Date of issue</b>	1 July 2020	–	–
<b>Number of Shares issued</b>	200,000	–	–

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EUHEDRAL QUARTZ CRYSTALS AT HUDSON'S PROSPECT, URALLA GOLD PROJECT

## Section 10

# Corporate Governance

### 10.1 GENERAL

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted the ASX Corporate Governance Principles. The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the ASX Corporate Governance Principles, which are not prescriptions, but guidelines.

To further enhance listed entities' disclosure of corporate governance issues, the ASX Corporate Governance Council (**CGC**) was established in 2002 for the purpose of setting an agreed set of corporate governance standards of best practice for Australian listed entities. The CGC has released the ASX Corporate Governance Principles which articulates eight core principles that CGC believes underlie good corporate governance of listed entities.

Before referring to the specific principles set out in the ASX Corporate Governance Principles and the steps being taken by the Company to comply with those, the following factors should be noted:

- (a) Each of the Directors dedicates considerable time and effort to the affairs of the Company. The Directors manage to do so within busy schedules for other work and business commitments and as a consequence, the principal focus of their endeavours (while operating within a sound base for corporate governance) must necessarily be promotion of the Company's activities and improving Shareholder value.
- (b) The ASX Corporate Governance Principles are not prescriptions, but guidelines. That said, the Company is committed to adopting corporate governance policies commensurate with its business activities and has adopted a formal Corporate Governance Statement, setting out the roles and responsibilities of the independent committees described above.
- (c) It is within the above context that the Directors are establishing the appropriate processes to ensure that they are compliant with a number of ASX Corporate Governance Principles on listing.

The Company's main corporate governance policies and practices are outlined below, followed by the Company's Corporate Governance Statement in table form under section 10.11 of this Prospectus. The Corporate Governance Statement summarises how the Company complies with the ASX Corporate Governance Principles and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the ASX Corporate Governance Principles noted below it otherwise complies with all of the ASX Corporate Governance Principles.

### 10.2 Board of Directors

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operations, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices that the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

### 10.3 COMPOSITION OF THE BOARD

The Board is currently comprised of two Non-Executive Directors (Mr Mayes and Mr Beckton) and two Executive Directors (Mr Leschke and Mr Van Heyst).

Biographies of the Directors are contained in section 9.1 of this Prospectus. The Board considers Mr Beckton and Mr Mayes to be independent Directors.

As the Company's activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately govern the Company's activities will be determined within the limitations imposed by the Constitution.

In assessing the independence of Directors, the Company has regard to Principle 2 of the ASX Corporate Governance Principles. The Board Charter sets out that the Board will annually assess the independence of Directors having regard to Principle 2 of the ASX Corporate Governance Principles.

Each Non-Executive Director has confirmed to the Company that they anticipate being available to perform their duties as a Non-Executive Director, without constraint from other commitments.

### 10.4 NOMINATION COMMITTEE

The Board has not formally established a nomination committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a nomination committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate nomination committee and in doing so, the Board will be guided by the Board Charter, which can be accessed on the Company Website. The Company will review this position annually and determine whether a nomination committee should be established.

### 10.5 REMUNERATION COMMITTEE

The Board has not formally established a remuneration committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a remuneration committee. The Board considers that it is able to deal efficiently and effectively with remuneration issues and will initially comprise the remuneration committee. In doing, the Board will be guided by the Board Charter, which can be accessed on the Company Website. The Company will review this position annually and determine whether a remuneration committee needs to be established.

### 10.6 AUDIT AND RISK COMMITTEE

The Company has not yet established an audit and risk committee (Audit and Risk Committee) as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of an Audit and Risk Committee. The Company's Board Charter provides that, until the Company establishes an Audit and Risk Committee, the Board will perform the ordinary functions of the Audit and Risk Committee. Despite not yet establishing an Audit and Risk Committee, the Company has adopted an Audit and Risk Committee Charter and also a Risk Management Policy. The Audit and Risk Committee Charter sets out the broad role of the Audit and Risk Committee (which, until the Board decides to establish an Audit and Risk Committee, remains the role of the Board) to be overseeing the integrity of the financial reporting process, reviewing risk management processes, reviewing internal controls and managing the external audit process. The Company's Risk Management Policy sets out the Company's processes for managing risks and developing an appropriate risk management framework to provide guidance to the Company's Management. The Company will review this position annually and determine whether an Audit and Risk Committee should be established.

## 10.7 ETHICAL STANDARDS

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate Code of Conduct (**Code of Conduct**) that is available on the Company Website.

The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with Shareholders and the community at large.

The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

The responsibilities contained within the Code of Conduct include (but are not limited to) the following:

- (a) compliance with all legislative and common law requirements which affect its business, in particular those in respect of occupational health and safety, the environment, native title and cultural heritage;
- (b) compliance with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity;
- (c) ensuring a safe workplace and maintain proper occupational health and safety practices commensurate with the nature of the Company's business and activities;
- (d) the Company's Directors actively promoting the highest standards of ethics and integrity in carrying out their duties for the Company; and
- (e) the Company's Directors protecting the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company.

Furthermore, the Company encourages the reporting of any instances of suspected unethical and illegal conduct involving the Company's businesses and provides protections and measures so that those persons who make a report may do so confidentially and without fear of intimidation, disadvantage or reprisal. Accordingly, the Company has adopted a Whistleblower Policy which is available on the Company Website.

The Company has also established an Anti-Bribery and Corruption Policy which sets out standards and processes to ensure that all persons employed or engaged by the Company comply with applicable laws, rules and regulations regarding corrupt and fraudulent practices, and which is available on the Company Website.

## 10.8 SECURITIES TRADING POLICY

The Company has adopted a Securities Trading Policy that is intended to ensure that persons who are discharging managerial responsibilities including but not limited to Directors, Officers and employees do not abuse, and do not place themselves under suspicion of abusing inside information that they may be thought to have, especially in periods leading up to an announcement of the Company.

Under the terms of the Securities Trading Policy, among other matters, Directors, Officers and employees must not trade in the securities of the Company in certain prohibited periods (including the week immediately preceding, and one day immediately following the release of the Company's quarterly reports, and the two weeks immediately preceding, and one day immediately following the release of the Company's half yearly report and annual report), unless a clearance to deal is obtained in accordance with the Securities Trading Policy or the trading is not subject to the Securities Trading Policy (as identified in the Securities Trading Policy). Further, a person to whom the Securities Trading Policy applies must not trade in the securities of the Company if such trading would involve the use of inside information. The Securities Trading Policy is available on the Company Website.

## 10.9 DIVERSITY POLICY

The Company and all its related bodies corporate are committed to workplace diversity. The Company has adopted a Diversity Policy that is accessible on the Company Website.

## 10.10 DISCLOSURE AND COMMUNICATION POLICY

The Company is committed to ensuring compliance with its continuous disclosure obligations and the corporate governance standards applied by Lode in its market communications practices. The Company has adopted a Disclosure and Communication Policy that is on the Company Website.

## 10.11 CORPORATE GOVERNANCE STATEMENT

In the context of the ASX Corporate Governance Principles, the Company has prepared the following Corporate Governance Statement:

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Principle 1 – Lay solid foundations for management and oversight</b> <i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance</i>		
<b>Recommendation 1.1</b> A listed entity should have and disclose a board charter setting out: <ul style="list-style-type: none"> <li>the respective roles and responsibilities of its board and management; and</li> <li>those matters expressly reserved to the board and those delegated to management.</li> </ul>	Yes	The Company's Board Charter sets out (amongst other things): <ul style="list-style-type: none"> <li>(a) the roles and responsibilities of the Board and of management; and</li> <li>(b) the matters expressly reserved to the Board and those delegated to management.</li> </ul> A copy of the Board Charter is available on the Company Website.
<b>Recommendation 1.2</b> A listed entity should: <ul style="list-style-type: none"> <li>undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</li> <li>provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	Yes	Prior to the appointment of a person as a Director, or putting forward to Shareholders a candidate for election as a Director, the Company undertakes checks that it believes are appropriate to verify a Director's character, experience, education, criminal record and bankruptcy history (including for new Directors).  The Company will ensure that all material information in its possession relevant to a Shareholder's decision whether to elect or re-elect a Director, including the information referred to in Recommendation 1.2, is provided to shareholders in any Notice of Annual or Extraordinary General Meeting.

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Recommendation 1.3</b> A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each Director and senior executive of the Company has an agreement in writing with the Company that sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.
<b>Recommendation 1.4</b> The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The responsibilities of the Company Secretary are set out in the Board Charter. The Company Secretary has a direct line of reporting to the Executive Chair and is responsible for: <ul style="list-style-type: none"> <li>(a) advising and supporting the Executive Chair and the Board and its committees to manage the day to day governance framework of the Company;</li> <li>(b) assisting with Board effectiveness by monitoring whether applicable Board and committee policies, procedures and charters are followed and coordinating timely completion and despatch of Board agendas and papers; and</li> <li>(c) assisting with all matters to do with the proper functioning of the Board including advising on governance matters and assisting with induction and professional development of Directors.</li> </ul>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>■ have a diversity policy;</li> <li>■ through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>■ disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(i) the measurable objectives set for that period to achieve gender diversity;</li> <li>(ii) the entity's progress towards achieving those objectives; and</li> <li>(iii) either: <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>(B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	Yes	<p>The Company seeks to treat everyone with fairness and respect which includes valuing diversity and difference. The Company believes that decision-making is enhanced through diversity and supports and encourages diversity at all levels of the organisation in accordance with the Company's Diversity Policy.</p> <p>A copy of the Diversity Policy is available on the Company Website.</p> <p>The Board assesses any measurable objectives for achieving gender diversity and annually reviews any such objectives and the Company's progress towards achieving them. The Board reports at least annually to review the Company's progress towards achieving its measurable objectives in relation to gender diversity.</p> <p>The Diversity Policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board is developing objectives regarding gender diversity and aims to achieve these objectives over the next five years as Director and senior executive positions become vacant and appropriately qualified candidates become available.</p> <p>Disclosure of measurable objectives, progress and respective proportions will be disclosed in the Annual Report.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>■ have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>■ disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.</li> </ul>	No	<p>The Board Charter details the Company's commitment, responsibility and process to evaluate the performance of the Board, individual Directors, the Executive Chair and Committees of the Board. The Board Charter is available on the Company Website.</p> <p>The Board is responsible for the evaluation of its performance and the performance of individual Directors. This evaluation shall involve evaluating the performance of each Director against appropriate measures (including if warranted by considering the use of external advisers to conduct this performance review). The Board is also responsible for evaluating the performance of the Non-Executive Directors, including the Executive Chair, against the requirements of the Board Charter. The Board must also set out its future goals and objectives, and review and recommend any changes to the Board Charter deemed necessary or desirable. The performance evaluation shall be conducted in such manner as the Board deems appropriate.</p> <p>The review of the Board's performance also addresses the ability for Directors to access continuing education to update and enhance their skills and knowledge as they relate to the Company's strategy and objectives.</p> <p>Since the incorporation of the Company on 18 November 2019, the Company has not undertaken an evaluation of the performance of the Board, individual Directors and Committees of the Board.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>■ have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>■ disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</li> </ul>	No	<p>The CEO reviews the performance of the senior executives on an informal basis. These evaluations take into account criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives. However, the Board also recognises the need for flexibility in defining performance objectives which must reflect the current status of the company and the development of its projects.</p> <p>The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Principle 2 – Structure the board to be effective and add value</b> <i>The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.</i>		
<b>Recommendation 2.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>■ have a nomination committee that: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the members of the committee; and</li> <li>(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>■ if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</li> </ul>	No	<p>The Board has no formal nomination committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee would add any substance to this process.</p> <p>The Board Charter sets out the processes the Company employs regarding appointments to the Board regarding succession matters. The Board Charter is available on the Company Website.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Recommendation 2.2</b> A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	<p>The Board regularly evaluates the mix of skills, experience and diversity at Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's shareholders.</p> <p>At the date of this Prospectus, the Board comprises four Directors from diverse backgrounds with a range of business experience, skills and attributes. Biographical information on each Director is contained in the Annual Report and on the Company's website.</p> <p>Details of the current Directors, their skills, experience and qualifications are set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the Annual Report in the future. No specific skills matrix is currently prepared and disclosed as the Company does not believe its current size and scale warrants that level of detail.</p>
<b>Recommendation 2.3</b> A listed entity should disclose: <ul style="list-style-type: none"> <li>the names of the directors considered by the board to be independent directors;</li> <li>if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX CG Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>the length of service of each director.</li> </ul>	Yes	<p>The Board comprises the following Directors:</p> <ul style="list-style-type: none"> <li>(a) Mr Edward Jan Leschke (Managing Director) – appointed on 18 November 2019.</li> <li>(b) Mr Andrew Van Heyst (Executive Chair) – appointed on 18 November 2019.</li> <li>(c) Mr Keith Mayes (Non-Executive Director) – appointed on 10 March 2020.</li> <li>(d) Mr Jason Beckton (Non-Executive Director) – appointed on 29 September 2020.</li> </ul>
<b>Recommendation 2.4</b> A majority of the board of a listed entity should be independent directors.	Partially	<p>The Board of the Company is comprised of four Directors, 2 of whom are considered to be independent.</p> <p>As the business develops, changes to and/or further appointments to the Board may be warranted and the Board will consider the need to appoint additional independent Directors.</p>
<b>Recommendation 2.5</b> The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	<p>The Executive Chair is Mr Andrew Van Heyst who is not an independent Director.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Recommendation 2.6</b> A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	<p>Under the Company's Board Charter, all new Directors are given a thorough briefing by the Executive Chair and/or Secretary on key Board issues and provided with appropriate background documentation, including the Company's financial, strategic, operational and risk management position, their rights, duties and responsibilities, and the role of the Board the Board committees.</p> <p>The Board will periodically review whether there is a need for existing Directors undertake professional development to maintain the skills and knowledge needed to perform their roles as Directors effectively.</p>
<b>Principle 3 – Instil a culture of acting lawfully, ethically and responsibly</b> <i>A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.</i>		
<b>Recommendation 3.1</b> A listed entity should articulate and disclose its values.	Yes	<p>The Company's Board Charter and Code of Conduct articulates and discloses its values.</p> <p>The Company's Board Charter and Code of Conduct is available on the Company Website.</p>
<b>Recommendation 3.2</b> A listed entity should: <ul style="list-style-type: none"> <li>have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	Yes	<p>The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, Directors, Officers, contractors and consultants. The Code of Conduct is available on the Company Website.</p> <p>Any breach of compliance with the Code of Conduct is to be reported to an officer or senior manager of the Company, the Managing Director or the Company Secretary</p>
<b>Recommendation 3.3</b> A listed entity should: <ul style="list-style-type: none"> <li>have and disclose a whistleblower policy; and</li> <li>ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	Yes	<p>The Company has a Whistleblower Policy available on the Company Website. Any material incidents reported under that policy are reported to the Board.</p> <p>For the purposes of the Whistleblower Policy, all reports are to be made to a "protected disclosure officer", which can be the Executive Chair, an officer or snieor manage of the Company or any of its related bodies corporate or the Company's external auditor.</p>
<b>Recommendation 3.4</b> A listed entity should: <ul style="list-style-type: none"> <li>have and disclose an anti-bribery and corruption policy; and</li> <li>ensure that the board or a committee of the board is informed of any material breaches of that policy.</li> </ul>	Yes	<p>The Company has an Anti-bribery and Corruption Policy available on the Company Website.</p> <p>Under the Anti-bribery and Corruption Policy, all Company personnel must report any actual or suspected improper conduct or other violation of this Policy to the relevant person identified in this Policy, being the CEO or the Company Secretary.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Principle 4 – Safeguard integrity in corporate reports</b> <i>A listed entity should have appropriate processes to verify the integrity of its corporate reports.</i>		
<b>Recommendation 4.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>■ have an audit committee that: <ul style="list-style-type: none"> <li>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, who is not the chair of the board,</li> </ul> and disclose: <ul style="list-style-type: none"> <li>(iii) the charter of the committee;</li> <li>(iv) the relevant qualifications and experience of the members of the committee; and</li> <li>(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>■ if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</li> </ul>	Partially	<p>The Company has not established an Audit and Risk Committee as the Directors do not view that the size of the Company warrants a separate audit committee. The Company's Board Charter provides that, until the Company does establish an Audit &amp; Risk Committee, the Board will perform the ordinary functions of the Audit &amp; Risk Committee. Despite not yet establishing an Audit and Risk Committee, the Company has adopted an Audit and Risk Committee Charter and also a Risk Management Policy.</p> <p>The Audit and Risk Committee Charter sets out the broad role of the Audit &amp; Risk Committee (which, until the Board decides to establish an Audit &amp; Risk Committee, remains the role of the Board) to be overseeing the integrity of the financial reporting process, reviewing risk management processes, reviewing internal controls and managing the external audit process. The duties specified in the Audit and Risk Committee Charter include undertaking processes to independently verify the integrity of the Company's periodic reports that are not audited or reviewed by an external auditor, as well as undertaking processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> <p>The Company's Risk Management Policy sets out the Company's processes for managing risks and developing an appropriate risk management framework to provide guidance to the Company's Management.</p> <p>The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned in relation to auditing. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors at this stage.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Recommendation 4.2</b> The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control that is operating effectively.	Yes	<p>The Board is to receive a declaration in the form set out in Recommendation 4.2 from its CEO and CFO in relation to the financial statements.</p> <p>The Board is responsible for discussing with Management and the external auditor the process surrounding, and the disclosures made by, the CEO and CFO in connection with their personal certification of the half yearly and annual financial statements.</p>
<b>Recommendation 4.3</b> A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	<p>The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by the Board. The process used by the Board to verify periodic corporate reports is to be disclosed to the market.</p> <p>The Board is responsible for reviewing, assessing and recommending release for all financial statements and reports that are required to be publicly released. The review should include a discussion with management and the external auditors of accounting issues and board policies.</p>
<b>Principle 5 – Make timely and balanced disclosure</b> <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>		
<b>Recommendation 5.1</b> A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company has a Continuous Disclosure and Communications Policy that outlines the processes to be followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market. The Continuous Disclosure and Communications Policy is available on the Company Website.
<b>Recommendation 5.2</b> A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Under the Company's Board Charter, the Board is responsible for overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with shareholders, other stakeholders and the public.

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Recommendation 5.3</b> A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Under the Company's Continuous Disclosure and Communications Policy, any materials distributed at analyst and media briefings will be lodged with ASX at the time of the briefing, and at investor meetings, the Company will not disclose any information that a reasonable person might regard as being price sensitive unless such information has previously been released to the market through the ASX or is otherwise already in the public domain.
<b>Principle 6 – Respect the rights of security holders</b> <i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.</i>		
<b>Recommendation 6.1</b> A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its operations is available on the Company Website. Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) can be accessed from the Company Website.
<b>Recommendation 6.2</b> A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company's a Continuous Disclosure and Communications Policy outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. The Continuous Disclosure and Communications Policy is available on the Company Website.
<b>Recommendation 6.3</b> A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Continuous Disclosure and Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of Shareholders.
<b>Recommendation 6.4</b> A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	No	The Company's Constitution provides that a poll may be demanded to vote on resolutions at meetings of Shareholders.
<b>Recommendation 6.5</b> A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company gives Shareholders the option to receive communications from, and send communications to, the Company and its Share Registry electronically, as provided for in the Company's Continuous Disclosure and Communication Policy.

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Principle 7 – Recognise and manage risk</b> <i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i>		
<b>Recommendation 7.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>has at least three members, a majority of whom are independent directors; and</li> <li>is chaired by an independent director; disclose: <ul style="list-style-type: none"> <li>the charter of the committee;</li> <li>the members of the committee; and</li> <li>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>if it does not have a risk committee or committees that satisfy (i) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</li> </ul>	Partially	<p>The Company has not established an Audit and Risk Committee as the Directors do not view that the size of the Company warrants a separate risk committee (which would require appointing additional directors).</p> <p>In accordance with the Company's Board Charter, the Board carries out the duties related to risk that would ordinarily be carried out by the Audit and Risk Committee. Those duties are set out in the Company's Risk Management Policy and include overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.</p> <p>The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned in relation to risk.</p>
<b>Recommendation 7.2</b> The board or a committee of the board should: <ul style="list-style-type: none"> <li>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> <li>disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	Yes	<p>Both the Company's Risk Management Policy and Audit &amp; Risk Management Charter guide the Board in its annual review of the Company's risk management framework.</p> <p>Since incorporation in November 2019, the Board has not yet completed a structured review of the Company's risk management framework and key corporate risks. The Board intends to conduct this review of the Company's risk management framework by the end of April 2021.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>■ if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>■ if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</li> </ul>	Yes	<p>The structure and role of the Company's internal audit function is set out in both the Audit &amp; Risk Committee Charter and the Risk Management Policy (both of which are already adopted). In accordance with the Board Charter, the Company's internal audit function is currently carried out by the Board in the absence of an Audit and Risk Committee that is yet to be established as per the explanation in the row above addressing Recommendation 4.1.</p> <p>The Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's internal audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p> <p>As explained in the row above addressing Recommendation 7.1, the Board employs its own processes for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p> <p>Copies of the Audit and Risk Committee Charter and the Risk Management Policy are available on the Company Website.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Risk Management Policy acknowledges that it has an obligation to Shareholders, employees, contractors, and other stakeholders to oversee the establishment and implementation of a risk management strategy, and monitor, review and evaluate the risk management and internal control systems for the Company.</p> <p>The Company may be exposed to such environmental risks as disclosed in section 4.2(e) of this Prospectus.</p> <p>The Company predominantly operates in Australia, which is a mature and well-regulated mining jurisdiction. As part of the Company's mining development approvals process, the Company must adhere to strict environmental and social regulations.</p>

ASX Recommendations	Compliance (Yes/No/ Partially)	Compliance by Lode
<b>Principle 8 – Remunerate fairly and responsibly</b> <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.</i>		
<b>Recommendation 8.1</b> The board of a listed entity should: <ul style="list-style-type: none"> <li>have a remuneration committee that: <ul style="list-style-type: none"> <li>has at least three members, a majority of whom are independent directors; and</li> <li>is chaired by an independent director; and disclose: <ul style="list-style-type: none"> <li>the charter of the committee;</li> <li>the members of the committee; and</li> <li>as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> </ul> </li> <li>if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</li> </ul>	Yes	<p>Given the current size of the Board, the Company does not have a remuneration committee. The Board considers that it is able to deal efficiently and effectively with remuneration issues and will initially comprise the remuneration committee. In doing so, the Board will be guided by the Board Charter, which is available on the Company Website.</p> <p>The Board as a whole reviews remuneration levels on an individual basis. In doing so, the Board will balance a number of factors, including the Company's desire to attract and retain high quality directors and senior executives, incentive structures, and the implications for the Company's reputation and standing if it is seen to pay excessive remuneration.</p>
<b>Recommendation 8.2</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	<p>The remuneration of the Directors of the Company is set out in section 9.4 of this Prospectus.</p> <p>The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives will be set out in the Remuneration Report contained in each Annual Report.</p>
<b>Recommendation 8.3</b> A listed entity that has an equity-based remuneration scheme should: <ul style="list-style-type: none"> <li>have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) that limit the economic risk of participating in the scheme; and</li> <li>disclose that policy or a summary of it.</li> </ul>	Yes	<p>The Company has an equity-based remuneration scheme. The Company's Securities Trading Policy provides that participants in the scheme must not enter into any transaction that would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is available on the Company Website.</p>

# 11



SECONDARY COPPER MINERALISATION AT TROUGH GULLY MINE, FENDER COPPER PROJECT

## Section 11

# Material Contracts

The material contracts entered into by Lode are set out below.

### 11.1 RURAL ACCESS AND COMPENSATION AGREEMENT

During late 2020 the Company entered into a rural access and compensation agreement with a number of landowners with properties on the ELs (**Rural Access and Compensation Agreement**), for the term of the relevant EL.

Under each Rural Access and Compensation Agreement, access is permitted upon 14 days' notice of planned activities, with compensation payable for ground disturbing activities at standard industry rates. The Company must comply with the "NSW Exploration Code of Practice: Environmental Management", including ensuring minimal disturbance to the ground or to stock on the land, and taking relevant measures to minimise the introduction of exotic weeds or plant diseases. Exploration is not permitted within 50m of a dam or within 200m of the principal residence, and the Company must take into consideration the Landowner's pastoral activities in undertaking each work program.

### 11.2 Executive Service Agreements – Mr Leschke and Mr Van Heyst

On 15 January 2021, the Company entered into an executive service agreement with each of Edward Jan Leschke and Mr Andrew Van Heyst (each an **Executive Service Agreement** and together the **Executive Service Agreements**).

The Executive Service Agreements commence from the date the Company is listed on the ASX or such other date as agreed by the parties and will continue until terminated.

Under the Executive Service Agreements, Mr Leschke was appointed the CEO of the Company and Mr Van Heyst was appointed Executive Chair of the Company. Mr Leschke is entitled to receive an annual salary of \$200,000 (plus superannuation) and Mr Van Heyst is entitled to receive an annual salary of \$125,000 (plus superannuation). Mr Leschke and Mr Van Heyst are otherwise employed on substantially the same terms.

Neither of the Executive Directors may be directly or indirectly engaged or involved in any other employment, position or business, other than by holding an interest of no more than 5% of any class of securities in any given company, without the Company's prior written consent.

The Company is also obliged to reimburse Mr Leschke and Mr Van Heyst for reasonable work related expenses provided they are reasonably and properly incurred in providing employment services to the Company.

The Company may terminate the Executive Service Agreements without giving notice on the occurrence of specified events, including a material breach of the Executive Service Agreements or serious misconduct. Neither Executive Service Agreement requires any additional payments to be made by either party on the termination of that agreement, except the repayment of any debts owed to the Company by the Executive Director where applicable.

### 11.3 NON-EXECUTIVE DIRECTOR LETTERS OF APPOINTMENT – MR KEITH MAYES AND MR JASON BECKTON

The Company has engaged Mr Keith Mayes and Mr Jason Beckton as Non-Executive Directors of the Company. The Non-Executive Director Letters of Appointment are each in a standard form and detail the nature of each Non-Executive Directors' appointment, their duties and their remuneration entitlements including each Non-Executive Director's right to receive 500,000 Options upon the Company's successful listing on the ASX (as set out in sections 9.6 and 9.7).

### 11.4 PROJECT MANAGER AGREEMENT

On 15 October 2020, the Company entered into an agreement with an experienced Project Manager for providing services to oversee the Company's mining operations in the New England region (**Project Manager Agreement**). Prior to the Company listing on the ASX, the Company will pay the Project Manager \$12,500 per month for his services and cover the costs of any vehicle hired or leased by the Project Manager. This arrangement can be terminated by the Company if the Project Manager has breached the contract and failed to remedy that breach within 7 days. The Project Manager Agreement will continue on a month to month basis. The Company may subsequently enter into an employment agreement with the Project Manager.

### 11.5 LEAD MANAGER MANDATE

The Company engaged Novus (the Lead Manager) as its exclusive sponsoring broker and corporate and financial adviser to manage the Offer (**Lead Manager Mandate**). Under the Lead Manager Mandate and in respect of the Offer, the Company has agreed to pay the Lead Manager:

- (a) a monthly advisory and work fee of \$10,000 (plus GST) per month for 4 months (i.e. \$40,000);
- (b) a sponsoring broker fee of \$44,000 (plus GST);
- (c) a management fee of 1% (plus GST) of all capital raised under the Offer;
- (d) a placement fee of 5% (plus GST) of all capital raised under the Offer;
- (e) a success fee of \$70,000 (plus GST); and
- (f) 400,000 Options if the Company raises between \$6,000,000 and \$7,499,999 or 1,000,000 Options if the Company raises \$7,500,000 (each Option with a 2 year term and an exercise price of \$0.30).

The Lead Manager will be retained exclusively for 6 months after the completion of the IPO to provide equity capital markets advisory services and post listing management. At the end of the term, the Lead Manager Mandate will continue on a rolling 60-day basis until a party issues terminates the arrangement in writing with 60 days' notice. After the Company lists on the ASX, the Lead Manager will be entitled to receive \$6,500 per month for its service.

Either the Company or the Lead Manager may terminate the Lead Manager Mandate with immediate effect if the other party has materially breached its obligations and has failed to rectify this breach after one months' notice. If the Company terminates the Lead Manager Mandate prior to the IPO or within the first 6 months after the completion of the IPO, the Company will be liable to pay a \$80,000 break fee in addition to all other fees and expenses accrued at the date of termination.

### 11.6 MEDIA & CAPITAL PARTNERS

Media & Capital Partners are a public relations and investor agency. From 28 September 2020 the Company has engaged Media & Capital Partners to provide investor and media relations services, including developing a website. For these services, the Company pays Media & Capital Partners:

- (a) \$5,000 per month plus GST prior to its listing on the ASX and \$6,500 per month plus GST after its successful listing on the ASX;
- (b) \$5,500 plus GST to develop the first five "webpages" and \$1,000 for each additional webpage of the website; and
- (c) \$10,250 to typeset this Prospectus on the basis of 50 hours of design work.

Under the arrangement either party may terminate the engagement with one month's prior written notice to the other party.

## 11.7 COMPANY SECRETARY AND ACTING CFO AGREEMENT – MR MARCELO MORA

The Company has entered into an agreement with Mr Marcelo Mora to engage him to provide company secretarial and acting CFO services to the Company on a consultancy basis. The term of Mr Mora's appointment is from 1 March 2021 until the consultancy agreement is terminated. The Company has agreed to pay Mr Mora \$24,000 per annum excluding GST and reimburse Mr Mora for any pre-authorised out of pocket expenses such as work related travel. The Company may terminate the agreement with Mr Mora at any time by giving notice in writing to Mr Mora.

## 11.8 DRILLING CONTRACT

The Company has engaged Durock Drilling Pty Ltd to carry out 1000m to 3000m of reverse circulation drilling work at one or more drilling locations to be determined by the Company (**Drilling Contract**). This drilling program is expected to commence on or about the 17th May 2021 and is expected to conclude within 2 months following commencement. For the drilling program, the Company expects to pay Durock Drilling Pty Ltd between \$110,000 and \$230,000 (plus GST), noting however that variations may incur additional costs.

## 11.9 INTERESTS OF ADVISERS

The Company has engaged professional advisors to prepare and make the Offer. In particular:

- (a) **Novus** has been engaged as Lode's exclusive sponsoring broker and corporate and financial adviser to manage the Offer as per the summary of the key terms of the Lead Manager Mandate set out in section 11.5;
- (b) **Thomson Geer** has been engaged to provide legal advice and undertake legal due diligence in relation to the Offer and Company. Approximately \$90,000 of legal fees will be payable to Thomson Geer;
- (c) **Resources Legal** has been engaged to conduct tenement and native title searches in respect of the Tenements and prepare the Solicitor's Report on the Tenements. For this work the Company will pay Resources Legal \$10,000;
- (d) **Geos Mining** has been engaged to prepare the Independent Geologist's Report. For this work, the Company will pay Geos Mining \$25,000 and any additional work at hourly rates.
- (e) **PKF Corporate Finance** has been engaged to prepare the Independent Accountant's Report and is entitled to receive approximately between \$22,500 to \$32,500 for its services; and
- (f) **PKF Tax** has been engaged to provide tax advice and to review the prospectus. PKF Tax will be paid approximately between \$3,000 and \$4,000 for its services.

## 11.10 INTERESTS AND BENEFITS

Sections 2, 9, 11 and 12 of this Prospectus set out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than set out in this Prospectus, no:

- (a) Director of the Company;
- (b) person named in this Prospectus and who has performed a function in a professional, advisory, or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of the Company; or
- (d) stockbroker or underwriter (but not a sub-underwriter) to the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- (e) the formation or promotion of the Company;
- (f) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- (g) the Offer.

In addition, no amount (whether in cash, Shares, Options or otherwise) has been paid or agreed to be paid, nor has any benefit been given to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director to induce them to become, or qualify as, a Director of the Company.



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BANDED SULPHIDE VEINING AT TROUGH GULLY MINE, FENDER COPPER PROJECT

## Section 12

# Additional Information

### **12.1 CONSTITUTION AND RIGHTS ATTACHING TO SHARES IN THE COMPANY**

The Company's Constitution is of the kind usually adopted by a public company, with certain provisions taking effect once (and for so long as) the Company is listed on the ASX. The following is a summary of the more significant rights attaching to Shares under the Company's Constitution, and is qualified by the full terms of the Constitution (copies of the Constitution may be inspected on request to the Company Secretary). This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice. Capitalised terms used in this section 12 have the meaning given to them in the Company's Constitution.

#### **(a) Voting**

At a meeting of Shareholders, subject to the Constitution and the Corporations Act, on a show of hands each Shareholder present in person or by proxy has one vote.

At the taking of a poll, each Shareholder present in person or by proxy has one vote for each fully paid Share, and for each partly paid Share a fraction of a vote equivalent to the proportion that the amount paid (not credited nor paid in advance of a call) bears to the total amount paid and payable (excluding amounts credited).

A Shareholder is entitled to be counted in a vote only in respect of Shares on which all calls due and payable have been paid. The chair at a meeting of the Company's members has a casting vote.

#### **(b) Proxy**

A Member who is entitled to attend and cast a vote at a meeting of the Company's Members may appoint a person (who need not be a Member) as the Member's proxy to attend and vote for the Member at the meeting. The person appointed as the Member's proxy may be an individual or body corporate.

#### **(c) General meeting and notices**

A Director of the Company may call a general meeting and the Director must call an annual general meeting in accordance with the Corporations Act. Shareholders may request or call and arrange to hold a general meeting in accordance with the Corporations Act.

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Company's Constitution and the Corporations Act.

The quorum for a meeting of Shareholders is two (2) Shareholders entitled to vote at the meeting.

#### **(d) Dividends and share plans**

The Directors may pay to Shareholders any interim and final dividends as they see fit. The Directors may fix the amount, the time for payment and the method of payment.

The Directors may determine the rules, terms and conditions of the Company's plans for issuing dividends.

The Directors may declare dividends on a class of Shares to the exclusion of and in different amounts than other classes. Dividends on partly paid Shares must not exceed the proportion that the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited) on that Share.

#### **(e) Issue of Shares**

Subject to the Constitution, the Corporations Act and any special rights conferred on holders of existing Shares or a class of Shares, the Directors may issue or otherwise dispose of, or grant Options in respect of, shares to such persons on such terms as they think fit. In particular, the Directors may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and payment of calls.

The Company may issue preference shares that are or at the option of the Company are to be, liable to be redeemed.

Holders of preference shares will only have the right to vote at a meeting convened for the purpose of reducing capital, in certain circumstances upon winding up, where the resolution affects the rights attached to the preference shares, when a dividend on the preference shares is in arrears or on a resolution to approve the terms of a buy-back.

#### **(f) Transfer of Shares**

Shares can be transferred subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act. The Directors may decline to register an instrument of transfer received where refusal is permitted under the Constitution.

#### **(g) Proportional takeover provisions**

The registration of a transfer of Shares that would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.

#### **(h) Winding up**

Subject to any special rights attaching to a class of shares, if the Company is wound up the liquidator in a winding up may, with the sanction of a special resolution of the Shareholders, divide the assets of the Company among the Shareholders and/or vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

#### **(i) Sale of non-marketable parcel**

Provided that the procedure set out in the Constitution are followed, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of those Shares. A marketable parcel of shares is defined in the ASX Listing Rules and is, generally, a holding of shares with market value of less than \$500.

### **(j) Variation of rights**

The rights attaching to the Shares may only be varied, modified or cancelled with the prior written consent of at least 75% of the holders of votes in that class or by a special resolution of the holders of Shares in that class at a meeting of those holders.

### **(k) Directors – Appointment, retirement and removal**

The minimum number of Directors is three and the maximum is ten.

The Directors are not required to hold any Shares.

Directors may be appointed by resolution of Shareholders at a general meeting. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual general meeting.

Directors may only be removed by resolution of Shareholders at a general meeting.

A Director must retire from office at the end of the third annual general meeting following that Director's last appointment or three years, whichever is longer. The requirement to retire does not apply to the Managing Director. If there is more than one Managing Director then the requirement to retire will not apply to just one Managing Director. A retiring Director is eligible for re-election.

### **(l) Decisions of Directors**

The quorum for a meeting of Directors is two.

A Board resolution must be passed by a majority of the votes cast by Directors entitled to vote on the resolution.

The chair of a Board meeting has a casting vote.

### **(m) Alternation to the Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting.

At least 21 days' notice (if the Company is not listed) or 28 days' notice (if the Company is listed) of the meeting at which the special resolution is proposed must be given.

## **12.2 ESCROW ARRANGEMENTS**

The Company does not expect that there will be any voluntary escrow arrangements.

Subject to the Company being admitted to the Official List, the Company anticipates that certain Shares and Options on issue prior to the Official Quotation will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of the Official Quotation.

The Company has received in-principle confirmation from the ASX as to how certain categories of holders will likely be treated with respect to mandatory escrow arrangements including the availability of cash formula relief to certain categories of holders, subject to ASX being satisfied with evidence submitted by the Company to substantiate the cash paid by those holders.

The Company does not expect that any Shares issued under the Offer will be subject to escrow under the ASX Listing Rules. The Company expects that the following securities will be classified by the Company as restricted securities:

**Table 29 – Expected restricted securities**

Restricted securities	Minimum Subscription			Maximum Subscription			Restriction Period
	Number of securities	% of total issued capital upon Completion on undiluted basis	% of total issued capital upon Completion on a fully diluted basis	Number of securities	% of total issued capital upon Completion on an undiluted basis	% of total issued capital upon Completion on a fully diluted basis	
Shares	40,414,900	50.91%	50.27%	40,414,900	43.98%	43.04%	24 months from quotation of the Company's Shares on the ASX
	8,235,000	10.37%	10.24%	8,235,000	8.96%	8.77%	12 months from the date of issue of those Shares
Options	1,000,000	1.26%	1.24%	2,000,000	2.18%	2.13%	24 months from quotation of the Company's Shares on the ASX

**Note:** At completion of the Offer, the Company will issue, the Company will issue:

- (a) 1,000,000 Options if the Company raises \$5,000,000;
- (b) 1,400,000 Options if the Company raises between \$6,000,000 and \$7,499,000; or
- (c) 2,000,000 Options if the Company raises \$7,500,000.

For further details on these Options to be issued by the Company, please refer to sections 9.6, 9.7 and 11.5.

The determination of ASX may be different from the Company's expectation as set out above in Table 29. The Company will announce to the ASX full details of the securities subject to escrow restrictions prior to the commencement of Official Quotation. The Company will announce to ASX full details (quantity and duration) of the securities required to be held in escrow prior to the Shares commencing trading on ASX.

The Company's free float at the time of listing is expected to be not less than 20%.

## 12.3 LITIGATION

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

## 12.4 COSTS OF THE OFFER

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be between approximately \$718,000 and \$875,000. The costs breakdown is as follows:

**Table 30:** Costs of the Offer

Item of Expenditure	Expense (Excluding GST)	
	Minimum Subscription	Maximum Subscription
ASX and ASIC fees	\$83,000 (ASX) plus \$3,000 (ASIC)	\$86,200 (ASX) plus \$6,800 (ASIC)
Legal and due diligence fees	\$90,000	\$90,000
Accounting fees	Between \$22,500 and \$32,500	Between \$22,500 and \$32,500
Taxation advice fees	Between \$3,000 and \$4,000	Between \$3,000 and \$4,000
Lead Manger fees	\$454,000	\$604,000
Media services (including typesetting and website development) fees	\$20,500	\$20,500
Solicitor's Report on Tenements fees	\$10,000	\$10,000
Independent Geologist's Report	\$25,000	\$25,000
<b>Total costs of the Offer</b>	<b>\$718,000</b>	<b>\$875,000</b>

## 12.5 AUSTRALIAN TAXATION IMPLICATIONS OF INVESTING UNDER THE OFFER

The comments in this section provide a general outline of Australian income tax, capital gains tax (CGT), goods and services tax (GST) and stamp duty issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in the Company on capital account for Australian income tax purposes.

This summary does not constitute financial product advice as defined in the Corporations Act. This summary is confined to Australian taxation issues and is only one of the matters which need to be considered by Shareholders before making a decision about an investment in the Shares.

These comments are based on tax laws, applicable case law and published Australian Taxation Office rulings, determinations and administrative practice in force at the date of the Prospectus. Investors should note that tax laws are subject to ongoing change, and this section does not consider any changes in administrative practice or interpretation by the relevant tax authorities, or any changes in law by judicial decision or legislation following the Prospectus Date. To the extent that there are any changes in law after the Prospectus Date, including those having retrospective effect, Shareholders should consider the tax consequences, taking into account their own individual circumstances, and should consider taking advice from a professional advisor before making a decision about an investment to acquire Shares under this Prospectus.

The taxation implications of a subscription for Shares may be affected by the individual circumstances of each Shareholder, and it is recommended that Shareholders consult their own independent advisors regarding taxation consequences, including stamp duty, income tax and Australian GST consequences of the acquisition, ownership and disposal of Shares. This summary is general in nature and does not cover all tax consequences that could apply in all circumstances of any Shareholder.

The categories of Shareholders considered in this section are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their Shares on capital account, and it does not consider any other category of Shareholders including those that hold Shares on revenue account, carry on a business of trading in Shares, are exempt from Australian tax, foreign residents, insurance companies, banks or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the Income Tax Assessment Act 1997 (Cth). This section also assumes that each Shareholder (together with its associates) holds at all relevant times less than 10% of the Shares in the Company.

To the maximum extent permitted by law, the Company, its Officers, Directors and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

## (a) Dividends

Dividends are paid to Shareholders from the accounting profits of the Company and may be franked with an imputation credit (franking credit) to the extent that Australian corporate income tax has been paid by the company on the income distributed and the Company chooses to frank the dividend. It is possible for a dividend to be either fully franked, partly franked or unfranked. Where a dividend is partly franked, the franked portion is treated as fully franked and the remainder as being unfranked.

It should be noted that the definition of dividend for Australian tax purposes is broad and can include certain capital returns and off-market share buy-backs.

For Australian resident individual investors, dividend income should be treated as assessable income in the year in which the dividend is paid.

In this regard, Australian tax resident companies, such as Lode, can pay dividends to Shareholders on a fully, partly or un-franked basis.

To 'frank' a dividend, means to attach franking credits to that dividend. Franking credits are, broadly, generated from the payment of Australian corporation tax. The overarching objective of franking credits is, inter alia, to give recipient Shareholders credit for corporation tax already paid in relation to the dividend(s) received (to the extent that those dividends are franked), so that the recipients' income tax liability in relation to those dividends is reduced accordingly.

This means that a company, as a result of paying company tax in Australia, can allocate the tax paid to its Shareholders by issuing franking credits attached to the dividend received by Shareholders.

### Dividends – holding period and related payment rules

In order for Shareholders to be entitled to claim a tax offset in relation to franked dividends, the recipient of the dividend must be a "qualified person". To be a qualified person, the two tests that need to be satisfied are the "holding period rule" (generally referred to as the "45- day rule") and the "related payments rule".

Broadly, a Shareholder will be a qualified person and able to claim the tax offset for the amount of any franking credits attaching to the dividend if they have held the Shares "at risk" for a continuous period of more than 45 days (excluding the dates of acquisition and disposal) and no related payment is made in respect of the franked distribution. Note, the holding period can be longer for certain preference shares.

The Shares are not held 'at risk' if the Shareholder has a materially diminished risk of loss or opportunity for gain in relation to the Shares. For example, if the Shareholder has entered into an agreement to dispose of the Shares, or granted options over Shares, the Shareholder may not hold the Shares 'at risk'.

This holding period rule is subject to exceptions, including where the total franking offsets of an individual in a year of income are under \$5,000.

In addition, Shareholders must not have made a related payment in respect to the dividend. Broadly, a Shareholder will be considered to have made a related payment if they have done, or are under an obligation to do, anything that has the effect of passing the benefit of a dividend or distribution to another person.

If a related payment has been made, Shareholders will only be entitled to the franking credits if they also held the shares "at risk" for a continuous period of more than 45 days (excluding the dates of acquisition and disposal) in the 90 day period commencing 45 days before and ending 45 days after the day the Shares became ex-dividend.

Where these rules are not satisfied, the Shareholder will not include an amount for the franking credits in their assessable income and should not be entitled to a tax offset.

The qualified person rules can be especially complex for distributions received indirectly (e.g. via an interposed trust).

There are specific integrity rules that prevent taxpayers from obtaining a tax benefit from additional franking credits where dividends are received as a result of 'dividend washing' or certain other arrangements. See, for example Taxpayer Alert 2018/1. Shareholders should consider the impact of these rules to their own personal circumstances.

The Board recommends that Shareholders should obtain their own professional tax advice to determine if these requirements have been satisfied.

## **Dividends – Australian tax resident individuals and complying superannuation entities**

Individuals or complying superannuation entities who are Australian tax resident Shareholders should include the dividend in their assessable income in the year the dividend is paid. If the Shareholder satisfies the 'qualified person' rules (see above), the Shareholder should also include any franking credits attached to that dividend in their assessable income.

Provided they are 'qualified persons', Shareholders who are individuals or complying superannuation entities should be entitled to a 'tax offset' equal to the franking credits attached to the dividend, and the tax offset may be applied to reduce the tax payable on the Shareholder's taxable income with any excess franking credits refundable.

If a dividend paid by the Company is unfranked, the Shareholder will generally be taxed at the Shareholder's marginal rate on the dividend received, with no tax offset.

Investors should note that the tax rate payable by each individual Australian resident Shareholder will depend on the circumstances of the Shareholder and their prevailing marginal rate of income tax.

## **Dividends – Australian tax resident corporate shareholders**

Australian tax resident corporate Shareholders are required to include the dividend and, if they are a 'qualified person', any associated franking credits in their assessable income. If they are a 'qualified person' a tax offset will then be allowed up to the amount of the franking credits.

In addition, to the extent of the franking credits attached to the dividend, the Australian resident corporate Shareholder should be entitled to a credit in its own franking account, and can pass on the benefit of the franked credits to its own shareholders on the payment of franked dividends.

Whilst excess franking credits cannot give rise to a refund, they may (in certain circumstances) be converted into carry forward tax losses.

## **Dividends – Australian tax resident trusts and partnerships**

Australian tax resident Shareholders who are partnerships or trustees (other than trustees of 'complying superannuation entities') should include dividends and franking credits in determining the net income of the partnership or trust.

Subject to satisfaction of the qualified person rules, such Shareholders should also include any franking credit attached to the dividend in their net income.

A trust beneficiary who is 'presently entitled' to a share of the trust's income or who has been 'attributed' a share of the trust's taxable income, may be entitled to a tax offset for a corresponding share of the franking credit received by the Shareholder. A partner may be entitled to a tax offset equal to a share of the franking credit received by the Shareholder based on their share of interests in the partnership.

As the qualified person rules can be complex in the context of distributions received indirectly via a trust or partnership, the Board recommends that Shareholders should obtain their own professional tax advice to determine the application of these rules to their circumstances.

## **Dividends – non-residents**

For completeness, we note that for non-resident (for tax purposes) investors, another impact of the franking regime is to impact the extent to which dividends paid to non-resident investors should be subject to dividend withholding tax (DWT). In this regard:

- (i) dividends paid to non-resident shareholders that are franked should not be subject to DWT (only to the extent of the franking of those dividends); and
- (ii) to the extent that the dividends paid to non-resident investors are unfranked:
  - (A) prima facie, those dividends should be subject to a DWT rate of 30%;
  - (B) however this rate may be reduced to the extent that the investor is a resident of a country that is subject to a Double Taxation Agreement with Australia. For example, for a US resident investor who owns less than 10% of the Company, the DWT rate on unfranked dividends would be reduced to 15%.

Such investors may also be taxable in their country of tax residence on receiving such dividends, and, depending upon the laws of the relevant country, a credit may be available in relation to any withholding tax suffered in relation thereto.

## (b) Disposal of Shares

Please note that the below comments relate to Australian resident investors who hold their shares on capital account only. For any other types of investors (e.g. investors who actively trade in shares, or investors who have purchased their shares solely to derive profit on their re-sale in the short to medium term), please seek independent advice as it is likely that any gains made on the sale of shares may be subject to income tax on revenue account, without any Capital Gains Tax (CGT) discounts available.

## (c) CGT

The tax treatment of future share disposals by Australian resident Shareholders will depend on whether the Shares are held on revenue account, as trading stock, as subject to the Taxation of Financial Arrangements regime or on capital account. As noted above, this section only considers Shareholders that hold Shares on capital account and related CGT implications.

The disposal of a Share by a Shareholder will constitute a CGT event.

For Australian resident investors, a capital gain will arise where the capital proceeds on disposal exceed the cost base of the Shares (broadly, the amount paid to acquire the Shares plus any transaction costs incurred in relation to the acquisition or disposal of the Shares). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

A CGT discount may be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustee (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

If the Shareholder is the trustee of a trust, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. The Board recommends that Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

The net capital gain for a financial year after application of capital losses and CGT discount (if available), is included in the resident Shareholder's assessable income and is subject to Australian tax.

A capital loss will be realised where the reduced cost base of the Shares exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income.

## (d) GST Tax

No GST should be payable in respect of the acquisition or disposal of the Shares. Further, no GST should be payable in respect of dividends paid.

However, Shareholders may not be entitled to claim full input tax credits in relation to any GST included in any costs they have incurred in connection with the acquisition of the Shares, and Shareholders should obtain their own independent tax advice in this regard.

## (e) Stamp duty

On the issue or allotment of the Shares as part of the offer, no stamp duty should be payable. No stamp duty should be payable in respect of the acquisition or disposal of the Shares that are quoted on the ASX at the time of the listing unless the Shareholder acquires (either individually, or with an associate or related party or in concert with other Shareholders) an interest of 90% or more of the Shares in the Company and the Company is a Landholder for duty purposes.

Under current stamp duty legislation, no stamp duty would ordinarily be payable by Shareholders on any subsequent transfer of their Shares but Shareholders should seek their own advice on the impact of stamp duty in their own particular circumstances.

## (f) Quotation of Tax File Number (TFN)

Australian tax resident Shareholders may, if they choose, notify the Company of their TFN, Australian Business Number (ABN) or a relevant exemption from withholding tax with respect to dividends. It is not compulsory for Shareholders to provide this information.

In the event that the Company is not so notified, Australian tax will be deducted by the Company from unfranked distributions and/or dividends at the highest marginal tax rate plus the Medicare Levy (which is 47% for the year ended 30 June 2021).

However, Australian tax resident Shareholders may be able to claim a tax credit in respect of the tax withheld on dividends in their income tax returns.

A Shareholder who holds Shares as part of an enterprise may quote its ABN instead of its TFN.

## 12.6 CONSENTS TO BE NAMED AND STATEMENT OF DISCLAIMERS OF RESPONSIBILITY

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

Each of the parties referred to in this section:

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

**Thomson Geer** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Solicitors to the Company in relation to the Offer in the form and context in which it is named. Thomson Geer Lawyers has been involved in the process of reviewing this Prospectus for consistency with the material contracts. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. Thomson Geer Lawyers do not make any other statement in this Prospectus. Thomson Geer Lawyers has not authorised or caused the issue of, this Prospectus.

**PKF Corporate Finance** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Investigating Accountant to the Company in relation to the Offer in the form and context in which it is named. They were involved in the preparation of the Investigating Accountant's Report set out in section 8 of this Prospectus. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than contained in the Investigating Accountant's Report PKF does not make any other statement in this Prospectus. PKF has not authorised or caused the issue of, this Prospectus.

**PKF Audit** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Auditor to the Company in relation to the Offer in the form and context in which it is named. PKF Audit has had no involvement in the preparation of any part of the Prospectus other than being named as the Auditor to the Company. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

**PKF Tax** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Tax Adviser to the Company in relation to the Offer in the form and context in which it is named. PKF Tax has had no involvement in the preparation of any part of the Prospectus other than being named as Tax Adviser to the Company. It has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

**Novus** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager to the Offer in relation to the Offer in the form and context in which it is named. Novus makes no statement in this Prospectus nor are any statements made in this Prospectus based on any statement by it, other than being named as Lead Manager, and has not authorised or caused the issue of, this Prospectus.

**Geos Mining** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Independent Geologist in relation to the Offer in the form and context in which it is named. It has prepared the Independent Geologist's Report, which is set out in section 6 of the Prospectus. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than those included in the Independent Geologist's Report, it does not make any other statement in this Prospectus. Geos Mining has not authorised, or caused the issue of, this Prospectus.

**Resources Legal** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the specialist legal advisor in relation to the Offer in the form and context in which it is named. It has prepared the Solicitor's Report on Tenements, which is set out in section 7 of the Prospectus. Other than those statements included in the Solicitor's Report on Tenements and the summary of the Rural Access and Compensation Agreement referred to in section 11.1 of the Prospectus, it does not make any other statement in this Prospectus. Resources Legal has not authorised, or caused the issue of, this Prospectus.

**Advanced Share Registry Ltd** has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. The Share Registry has had no involvement in the preparation of any part of the Prospectus other than being named as the Share Registry to the Company. The Share Registry has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus, nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

## 12.7 ASX WAIVERS AND CONFIRMATIONS

In conjunction with the Company's application for admission to the Official List of ASX, the Company sought, and received, written confirmation from the ASX that the Company was not required to submit a formal waiver request in relation to the requirement under Listing Rule 1.3.5 to provide financial statements for the last three full financial years. The Company has received in-principle confirmation from the ASX as to how certain categories of holders will likely be treated with respect to mandatory escrow arrangements including the availability of cash formula relief to certain categories of holders, subject to ASX being satisfied with evidence submitted by the Company to substantiate the cash paid by those holders.

## 12.8 WORKING CAPITAL STATEMENT

The Board believes that the Company's current cash reserves plus the net proceeds of the Offer will be sufficient to fund the Company's stated business objectives for two years.

The Board will consider the use of further equity funding or placements if appropriate to further accelerate growth or fund a specific project, transaction or expansion.

## 12.9 SUBSEQUENT EVENTS

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus that is likely, in the opinion of the Directors of the Company, to substantially affect:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

## 12.10 INSPECTION OF DOCUMENTS

Copies of the following documents may be inspected free of charge at the registered office of the Company and at the offices of Thomson Geer Lawyers at Level 14, 60 Martin Place, Sydney, during normal business hours:

- (a) the material contracts in section 11 of this Prospectus;
- (b) the Constitution of the Company; and
- (c) the consents referred to in section 12.6 of this Prospectus.

## 12.11 GOVERNING LAW

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the Applications are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

## 12.12 CONSENT TO LODGEMENT

Each of the Directors of the Company has consented to the lodgement of this Prospectus with ASIC.

Signed on behalf of the Company by:



**Andrew Van Heyst**  
*Executive Chair*  
Lode Resources Ltd



GEOPHYSICS CREW WITH LODE'S PROJECT MANAGER MR MITCHELL TARRANT (PICTURED FAR LEFT)

## Section 13

# Glossary

<b>\$</b>	means Australian dollars.
<b>AASB</b>	means the Australian Accounting Standards Board.
<b>AFSL</b>	means Australian Financial Services License number.
<b>Allotment Date</b>	means the date the Shares the subject of the Offer will be allotted.
<b>Applicant</b>	means a person applying for Shares offered by this Prospectus.
<b>Application</b>	means a valid application to subscribe for a specified number of Shares under the Offer.
<b>Application Form</b>	means the application form enclosed with and forming part of this Prospectus for use by investors.
<b>Application Monies</b>	means the monies that are payable in accordance with the terms of the Offer by an Applicant when submitting an Application.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN (008 624 691) or the market operated by that body, as the context requires.
<b>ASX Corporate Governance Principles</b>	means the 4th edition of the corporate governance principles and recommendations of the ASX Corporate Governance Council.
<b>ASX Listing Rules</b>	means the official listing rules of the ASX as amended or waived from time to time.
<b>ASX Settlement Operating Rules</b>	means the operating rules of the ASX Settlement that apply while the Company is an issuer of CHESS approved securities, each as amended or replaced from time to time.
<b>ATO</b>	means the Australian Taxation Office.
<b>Auditor</b>	means PKF (NS) Audit and Assurance Limited Partnership.
<b>Australian Financial Services Licensee</b>	refers to the holder of an Australian Financial Services License.

<b>Board</b>	means the board of Directors of the Company from time to time.
<b>Business Day</b>	has the meaning ascribed to that term in the ASX Listing Rules.
<b>CGT</b>	means Capital Gains Tax.
<b>CHESS</b>	means the Clearing House Electronic Sub-Registry System operated by ASX.
<b>CEO</b>	means chief executive officer, being Mr Leschke in the case of the Company.
<b>CFO</b>	means chief financial officer, being Mr Mora in the case of the Company.
<b>Closing Date</b>	means 10 May 2021 (subject to the right of the Board to close the Offer earlier or to extend this date without notice).
<b>Company, Lode, we or us</b>	means Lode Resources Ltd ACN 637 512 415.
<b>Company Secretary</b>	means Mr Mora.
<b>Company Website</b>	means <a href="http://www.loderesources.com">www.loderesources.com</a> .
<b>Competent Person is defined in the JORC and in this Prospectus</b>	means Mr Murray Hutton of Geos Mining.
<b>Constitution</b>	means the constitution of the Company.
<b>CGC</b>	means Corporate Governance Council.
<b>Corporate Governance Statement</b>	means the corporate governance statement contained in section 10.11 of this Prospectus.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company from time to time.
<b>Drilling Contract</b>	means the contract between the Company and Durock Drilling Pty Ltd as referred to in section 11.8.
<b>DWT</b>	means dividend withholding tax.
<b>Employee Option Plan</b>	has the meaning set out in section 9.9.
<b>Executive Chair or Chair</b>	means Mr Van Heyst.
<b>Executive Directors</b>	means Mr Leschke and Mr Van Heyst.
<b>Executive Service Agreement</b>	means the employment agreement of Mr Leschke or Mr Van Heyst, as the context requires.
<b>Exploration Licence or EL</b>	means a licence to conduct exploration activities within a set area.
<b>Existing Shareholders</b>	means all holders of Shares in the Company at the date of this Prospectus.
<b>Exposure Period</b>	means the 7 day period from the date of lodgement of the Prospectus, unless otherwise extended by ASIC.
<b>Geos Mining</b>	means GM Minerals Consultants Pty Ltd (ABN 44 608 768 083), being the Independent Geologist.
<b>Glossary</b>	means this section 13.

<b>GST</b>	means the Goods and Services Tax.
<b>HIN</b>	means Holder Identification Number.
<b>IRGS</b>	means Intrusive Related Gold System.
<b>Independent Specialist is defined in the VALMIN Code 2015 &amp; ASIC Regulatory Guide 111 and in this Prospectus</b>	means Mr Hutton of Geos Mining.
<b>Independent Geologist</b>	means GM Minerals Consultants Pty Ltd (trading as Geos Mining).
<b>Independent Geologist's Report</b>	means the report prepared by Geos Mining in relation to the ELs.
<b>Induced Polarization</b>	refers to a geophysical exploration technique that measures electrical chargeability of subsurface materials, including certain sulphide minerals, by detecting the decay of voltage in the ground following the cessation of an excitation current pulse.
<b>Investigating Accountant</b>	means PKF Corporate Finance (NSW) Pty Limited.
<b>Investigating Accountant's Report</b>	means the report in section 8 prepared by PKF Corporate Finance (NSW) Pty Limited.
<b>JORC Code 2012</b>	means the Joint Ore Reserves Committee's Australasian Code for Report of Mineral Resources and Ore Reserves 2012 edition.
<b>Lead Manager</b>	means Novus Capital Limited (ACN 32 006 711 995).
<b>Lead Manager Mandate</b>	has the meaning set out in section 11.5.
<b>Management</b>	means the Executive Directors, the Company Secretary and Project Manager.
<b>Managing Director</b>	means Mr Leschke.
<b>Maximum Subscription</b>	means the maximum amount to be raised under the Offer, being \$7,500,000.
<b>Media &amp; Capital Partners</b>	means Abbey West Pty Ltd (ACN 169 080 997), trading as Media & Capital Partners.
<b>Minimum Subscription</b>	means the minimum amount to be raised under the Offer, being \$5,000,000.
<b>Mr Beckton</b>	means Mr Jason Beckton.
<b>Mr Hutton</b>	means Mr Murray Hutton.
<b>Mr Leschke</b>	means Mr Edward Leschke.
<b>Mr Mayes</b>	means Mr Keith Mayes.
<b>Mr Mora</b>	means Mr Marcelo Mora.
<b>Mr Tarrant</b>	means Mr Mitchell Tarrant.
<b>Mr Van Heyst</b>	means Mr Andrew Van Heyst.
<b>Minimum Application</b>	means an application under the Offer of \$2,000 constituted by 10,000 Shares.
<b>NEO</b>	means the location of the New England Orogeny.

<b>NSW</b>	means New South Wales.
<b>Newmont</b>	means Newmont Australia Pty Ltd (ACN 099 040 507).
<b>Non-Executive Directors</b>	means Mr Beckton and Mr Keith Mayes.
<b>Non-Executive Director Letters of Appointment</b>	means the director appointment letters entered into by the Company and each Non-Executive Director.
<b>Novus</b>	means Novus Capital Limited (AFSL number 238 168) (ACN 006 711 995), being the Lead Manager.
<b>Offer</b>	means the offer set out in this Prospectus to subscribe for Shares to raise between \$5,000,000 and \$7,500,000.
<b>Offer Price</b>	means \$0.20 per Share.
<b>Offer Proceeds</b>	means the amount raised by the Company minus all expenses incurred in conducting the Offer.
<b>Officer</b>	is defined in section 9 of the Corporations Act.
<b>Officer's Access and Indemnity Deeds</b>	means the deeds entered into by each of the Directors of the Company as described in section 9.8 of this Prospectus.
<b>Official List</b>	means the official list of the ASX.
<b>Official Quotation</b>	means quotation on the Official List of the ASX.
<b>Opening Date</b>	means 28 April 2021.
<b>Option</b>	means an unlisted option to subscribe for a Share.
<b>PKF Audit</b>	means PKF (NS) Audit and Assurance Limited Partnership (ACN 850 861 839), being the Auditor.
<b>PKF Corporate Finance</b>	means PKF Corporate Finance (NSW) Pty Ltd (ACN 097 893 957) (AFSL 295 872), being the Investigating Accountant.
<b>PKF Tax</b>	means PKF(NS) Tax Pty Limited (ACN 153 707 325), being the Tax Advisor.
<b>Project Manager</b>	means Mr Tarrant.
<b>Project Manager Agreement</b>	means the agreement between the Company and the Project Manager dated 1 November 2020.
<b>Prospectus</b>	means this Prospectus dated 13 April 2021.
<b>Relevant Interest</b>	has the meaning given by sections 608 and 609 of the Corporations Act.
<b>Resources Legal</b>	means Resources Legal Pty Ltd (ACN 097 228 870).

<b>Rural Access and Compensation Agreement</b>	has the meaning set out in section 11.1.
<b>Shareholders</b>	means holders of Shares in the Company.
<b>Share Registry</b>	means Advanced Share Registry Ltd (ACN 127 175 946).
<b>Shares</b>	means fully paid ordinary shares in the Company.
<b>Solicitor's Report on Tenements</b>	means the report prepared by Mr Timms dated 16 March 2021.
<b>Sovereign Gold</b>	means Sovereign Gold Company Limited.
<b>SRN</b>	means Securityholder Reference Number.
<b>Substantial Shareholders</b>	means Shareholders who hold a Relevant Interest in over 5% of the Company.
<b>Tenements</b>	means EL8933, L8980, EL9003, EL9004, EL6016, EL6020 and EL6153.
<b>Treasurer</b>	means the Australian minister of finance.
<b>VALMIN Code</b>	means the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition).
<b>VMS</b>	means Volcanic Massive Sulphide.





HISTORICAL BENEFICIATION INFRASTRUCTURE AT WEBBS CONSOL SILVER PROJECT



**Lode Resources Ltd**

ACN 637 512 415

ESN Partners 'Australia Square'

Level 30, 264-278 George Street Sydney NSW

Telephone: (02) 9008 1381 | [www.loderesources.com](http://www.loderesources.com)