

# **Lode Resources Ltd**

**ABN: 30 637 512 415**

## **Financial Statements**

**For the Year Ended 30 June 2021**

## Corporate Directory

<b>Directors</b>	Andrew Van Heyst Edward Leschke Keith Mayes Jason Beckton	Executive Chairman Managing Director Non-Executive Director Non-Executive Director
<b>Company Secretary</b>	Marcelo Mora	
<b>Principal Place of Business and Registered Office</b>	ESN Partners 'Australia Square' Level 30, 264-278 George Street Sydney NSW 2000 Australia	
	Telephone:	(61 2) 9008 1381
	Web site:	<a href="http://www.loderesources.com">www.loderesources.com</a>
<b>Share Registry</b>	Advanced Share Registry Limited 110 Stirling Highway Nedlands, Western Australia 6009	
	Telephone:	(61 8) 9389 8033
	Facsimile:	(61 8) 9262 3723
<b>Auditors</b>	PKF (NS) Audit and Assurance Limited Partnership Level 8 1 O'Connell Street Sydney NSW 2000	
<b>Solicitors</b>	Thomson Geer Level 14 60 Martin Place Sydney NSW 2000	
<b>Stock Exchange Listings</b>	Australian Securities Exchange	(Code – LDR)

# Lode Resources Ltd

ABN: 30 637 512 415

## Contents

For the Year Ended 30 June 2021

	<b>Page</b>
<b>Financial Statements</b>	
Review of Operations	1
Corporate Governance Statement	3
Directors' Report	4
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	8
Statement of Profit or Loss and Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	26
Independent Audit Report	27
Additional Information for Listed Public Companies	30

## Lode Resources Ltd

ABN: 30 637 512 415

### Review of Operations For the Year Ended 30 June 2021

Lode Resources Ltd (ASX:LDR or 'Lode' or 'the Company') commenced trading on the Australian Stock Exchange (ASX Ltd) on 2 July 2021.

Lode's exploration focus is on the highly prospective but under-exploited New England Fold Belt in north eastern New South Wales. See Figure 1. The Company has assembled a portfolio of brownfield precious and base metal assets characterised by:

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

This has resulted in a portfolio of assets with diverse mineralisation styles with 3 drill ready projects:

1. **Uralla Gold** – Located 8km west of the Uralla township, this goldfield was one of the earlier goldfields discovered in NSW and a significant gold producer in the 1850's. Despite this long history, the mineralisation style has only recently been recognised as being an Intrusive Related Gold System (IRGS) and this has strong implications for this project's discovery potential. Lode's holdings cover over 300sq km's and this project is drill ready.
2. **Webbs Consol Silver** – Located 16km west-southwest of Emmaville, this historical silver mining centre is known for 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 open at relative shallow depths and subsequent geophysical anomalies were never followed-up by drilling.
3. **Fender Copper (Trough Gully)** – Located 30km southeast of Tamworth this project has incurred surface exploration carried out by several companies since the 1960s comprising stream/soil, surface mapping, IP and magnetics however no drilling has occurred. Significant copper in drainage anomalies and several known historical workings on VMS style mineralisation provide some very attractive exploration targets. This project is drill ready.
4. **Elsinore** – Located 30km west of Guyra this project hosts a large regional magnetic and IP anomaly with anomalous base/precious metals in geochemical sampling;
5. **Thor** – Located 35km northwest of Manila this project hosts a large gold anomaly potentially associated with high level intrusions or major regional fault structures.
6. **Tea Tree** – Located 24km north of Manila this project comprises an underexplored goldfield.

As of 30 June 2021, the Company had been granted seven exploration licences as follows:

Project	Licence	Grant / Application Date	Expiry Date	Commodity	Units	Status
Webbs Consol	EL8933	16 January 2020	16 January 2023	Group 1 (Metallic minerals)	16	Granted
Uralla	EL8980	14 May 2020	14 May 2023	Group 1 (Metallic minerals)	80	Granted
Fender	EL9003	12 October 2020	12 October 2023	Group 1 (Metallic minerals)	76	Granted
Elsinore	EL9004	12 October 2020	12 October 2023	Group 1 (Metallic minerals)	32	Granted
Tea Tree	EL9084	11 March 2021	11 March 2024	Group 1 (Metallic minerals)	24	Granted
Thor	EL9085	11 March 2021	11 March 2024	Group 1 (Metallic minerals)	78	Granted
Uralla West	EL9087	12 March 2021	12 March 2024	Group 1 (Metallic minerals)	22	Granted

Lode's strategy is to:

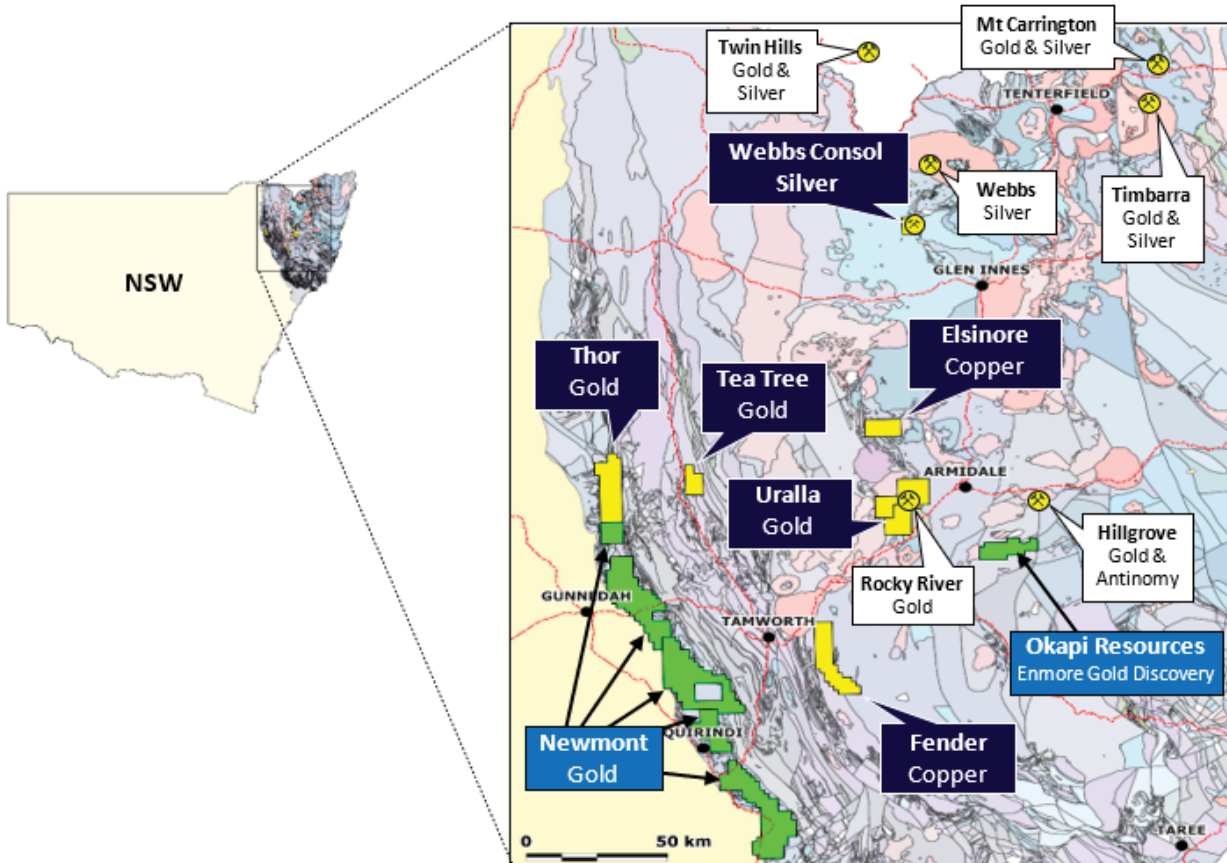
- Systematically explore and develop the Company's Tenements in the New England Fold Belt;
- Target large-scale gold, silver and copper mineral systems;
- Use modern exploration methods and best practices in cost effective programs; and
- Advance discoveries to the development stage.

## Review of Operations For the Year Ended 30 June 2021

Major developments since a recent listing on the ASX include:

- Discovery of a new style of gold mineralisation with bulk tonnage potential at the **100% owned Uralla Gold Project**. To date 56 chip sample gold assays grading > 1 g/t averaged 3.29 g/t (up to 8.03 g/t) have now been received from an area of interest approximately 1,000m long and up to 500m wide. Outcrop sampled is spatially related to the “Bonanza Dyke” over a strike length of 1,000 metres. The Uralla Gold Project geology has the characteristics of an Intrusive Related Gold System (IRGS) which has been only recently recognised. Preparations for highly anticipated drilling are well advanced and a tracked RC drill rig has been contracted to commence drilling on 25 October. Refer announcements on 12 July 2021 & 20 July 2021.
- Commencement of drilling at the **100% owned Webbs Consol Silver Project** with approximately 1,500m of diamond drilling testing of high-grade silver mineralisation sampled at surface and underground extensions. To date 30 selective surface chip/grab sample silver assays grading >20 g/t Ag have averaged 73 g/t Ag (up to 289 g/t Ag) from an area of interest approximately 2,000m long. A separate single selective grab sample taken from the Webbs Consol main shaft waste dump graded 2,230 g/t silver and 32.5% zinc demonstrating an unusual association between the two metals. Refer announcement on 15 September 2021.

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



### Competent Person’s Statement

The information in this Report that relates to Exploration Results is based on information compiled by Mr Mitchell Tarrant, who is a Member of the Australian Institute of Geoscientists. Mr Tarrant, who is the Project Manager for Lode Resources, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Tarrant consents to the inclusion in this Report of the matters based on the information in the form and context in which it appears.

## **Lode Resources Ltd**

ABN: 30 637 512 415

# **Corporate Governance Statement**

## **For the Year Ended 30 June 2021**

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2021 corporate governance statement is dated 29 September 2021 and reflects the corporate governance practices throughout the 2021 financial year. The board approved the 2021 corporate governance on 29 September 2021. A description of the Company's current corporate governance practices is set out in the Company's corporate governance statement, which can be viewed at <https://loderesources.com/corporate-governance>.

## Lode Resources Ltd

ABN: 30 637 512 415

# Directors' Report

## For the Year Ended 30 June 2021

The directors present their report on Lode Resources Ltd for the financial year ended 30 June 2021.

### Directors

The names of each person who has been a director during the year and to the date of this report are:

Andrew Van Heyst

Ted Leschke

Keith Mayes

Jason Beckton                      Appointed 29 September 2020

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Principal activities

The principal activities of Lode Resources Ltd during the financial year were the acquisition of exploration projects through Exploration Licence Applications and the subsequent granting of Exploration Licences, completing extensive literature reviews of past exploration activities, gaining access through Rural Access and Compensation Agreements with surface landowners and carrying out reconnaissance style field activities.

### Operating results

The loss of the Company amounted to \$574,934 (2020: \$22,331), after providing for income tax.

### Review of operations

A review of the Company's operations for the year ended 30 June 2021 is set out on pages 1 to 2 of this Annual Report.

### Dividends paid or recommended

No dividends were paid or declared during the period.

### Changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

### Events after the reporting date

On 2 July the Company commenced quotation of the Australian Securities Exchange ASX. On 14 July 2021, the Company granted 500,000 unlisted options to the Exploration Manager, the options are exercisable at 30 cents vest immediately with expiry on 14 July 2023

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

### Environmental issues

The operations and proposed activities of the Group are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or field development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all applicable environmental laws.

## Lode Resources Ltd

ABN: 30 637 512 415

# Directors' Report

## For the Year Ended 30 June 2021

### Information on directors

Andrew Van Heyst	Chairman
Experience	With more than 30 years' experience in Industrial Equities and Advisory. Has worked at Merrill Lynch in New York as Head of Australian Sales and for ABN AMRO as Head of Australian Sales and Head of Americas Client Account Management for Global Equity Product. In 2005 Andrew moved back to Australia joining Shaw and Partners as a Corporate Advisor focussing on Small Cap resources and is currently an Executive Director at Bridge Street Capital Partners.
Interest in Shares and Options	21,250,001 ordinary shares
Ted Leschke	Managing Director
Experience	With more than 30 years' experience in resources industry including MD of ASX listed Equus Mining from start up project development covering areas such as project identification, acquisition and generation, geological mapping, exploration drilling, local community and government liaison, financial management, strategy, fund raisings, ASX listing and statutory reporting. Previously worked as a resource analyst in stockbroking/funds management as well as a geologist in the mining industry.
Interest in Shares and Options	20,750,001 ordinary shares
Directorships held in other listed entities during the three years prior to the current year	Equus Mining Limited.
Keith Mayes	Non-Executive Director
Experience	With more than 30 years' experience in the resource sector in exploration, business development, operational and financial roles with major mining companies including North Ltd, Newmont, Rio Tinto and Oxiana in Australia, Eurpoe, Middle East and Africa. Keith is currently CEO of Garnet International Group and formerly COO at ASX listed KGL Resources that is undertaking exploration and development of the large Jervois copper/silver/gold project in central Australia and COO at Altura Mining Ltd where he discovered the world class Pilgangoora lithium deposit.
Interest in Shares and options	300,000 ordinary shares and 500,000 unlisted options
Jason Beckton	Non-Executive Director
Qualifications	Holds BSc (Hons) Melbourne and a Masters of Economic Geology from the University of Tasmania.
Experience	With more than 25 years of geological corporate experience in Australia, North and South America and China. Was Project Manager for Bolbisi Gold NL's Palmerejo silver/gold project in Mexico where he managed a program defining 3.1moz AuEq. Managed the discovery of Exeter Resource Corp's 30 moz AuEq Caspiche Porphyry prospect in the Maricunga Gold Copper Belt of Chile. Previously MD of ASX listed Chinalco Yunnan Copper Resources exploring the Mt Isa, Lao and Chilean copper districts.
Interest in Shares and Options	200,000 ordinary shares and 500,000 unlisted options
Directorships held in other listed entities during the three years prior to the current year	Managing Director of ASX listed Prospech Ltd.

### Company secretary

Andrew Van Heyst and Ted Leschke were company secretaries from the date of incorporation to 15 September 2020. Marcelo Mora has been the company secretary since 15 September 2020.



## Lode Resources Ltd

ABN: 30 637 512 415

# Directors' Report

## For the Year Ended 30 June 2021

### Meetings of directors

During the financial year, 1 meetings of directors were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Andrew Van Heyst	1
Ted Leschke	1
Keith Mayes	-
Jason Beckton	-

### Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Lode Resources Ltd.

### Options

At the date of this report, the unissued ordinary shares of Lode Resources Ltd under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
31 March 2021	2 July 2023	\$0.30	1,000,000 <sup>(1)</sup>
14 July 2021	14 July 2023	\$0.30	500,000 <sup>(2)</sup>

<sup>(1)</sup>The options have an exercise price of \$0.30, vest immediately and expire on 2 July 2023, the shares are esrow until 2 July 2023.

<sup>(2)</sup>The options have an exercise price of \$0.30, vest immediately and expire on 14 July 2023.

Option holders do not have any rights to participate in any issues of shares or other interests in the Company.

### Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

**Lode Resources Ltd**

ABN: 30 637 512 415

**Directors' Report  
For the Year Ended 30 June 2021**

**Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2021 has been received and can be found on page 8 of the financial report.

This director's report is signed in accordance with a resolution of the Board of Directors.



Director: .....

Andrew Van Heyst



Director: .....

Ted Leschke

Dated 29 September 2021

## Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Lode Resources Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



PKF



SCOTT TOBUTT  
PARTNER

29 SEPTEMBER 2021  
SYDNEY, NSW

## Lode Resources Ltd

ABN: 30 637 512 415

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	8 months to June 2020
	Note	\$	\$
Employee benefits expense		(85,000)	-
Depreciation and amortisation expense		(3,978)	-
Legal and professional expenses		(68,588)	(4,618)
Other expenses		(417,368)	(17,713)
<b>Loss before income tax</b>		<b>(574,934)</b>	<b>(22,331)</b>
Income tax expense	4	-	-
<b>Loss for the period</b>		<b>(574,934)</b>	<b>(22,331)</b>
Other comprehensive income		-	-
<b>Total comprehensive expense for the period</b>		<b>(574,934)</b>	<b>(22,331)</b>
<b>Earning per share</b>			
Basic and diluted loss per share	21	(0.0113)	(0.0019)

The accompanying notes form part of these financial statements.

## Lode Resources Ltd

ABN: 30 637 512 415

### Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	4,739,139	299,082
Trade and other receivables	7	40,875	1,073
Other assets		1,636	-
<b>TOTAL CURRENT ASSETS</b>		<b>4,781,650</b>	<b>300,155</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	8	98,800	20,000
Property, plant and equipment	9	28,740	-
Exploration and evaluation assets	10	332,834	30,699
<b>TOTAL NON-CURRENT ASSETS</b>		<b>460,374</b>	<b>50,699</b>
<b>TOTAL ASSETS</b>		<b>5,242,024</b>	<b>350,854</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	142,775	8,163
<b>TOTAL CURRENT LIABILITIES</b>		<b>142,775</b>	<b>8,163</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>142,775</b>	<b>8,163</b>
<b>NET ASSETS</b>		<b>5,099,249</b>	<b>342,691</b>
<b>EQUITY</b>			
Issued capital	12	5,611,514	365,022
Share based payment reserve	20	85,000	-
Accumulated losses		(597,265)	(22,331)
<b>TOTAL EQUITY</b>		<b>5,099,249</b>	<b>342,691</b>

The accompanying notes form part of these financial statements.

## Lode Resources Ltd

ABN: 30 637 512 415

### Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Issued capital	Accumulated losses	Share based payment reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>365,022</b>	<b>(22,331)</b>	-	<b>342,691</b>
Loss for the year	-	(574,934)	-	(574,934)
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive expense for the period</b>	-	<b>(574,934)</b>	-	<b>(574,934)</b>
<b>Transactions with owners in their capacity as owners</b>				
Contribution of equity, net of transaction costs	5,246,492	-	-	5,246,492
Share based payment transactions	-	-	85,000	85,000
<b>Balance at 30 June 2021</b>	<b>5,611,514</b>	<b>(597,265)</b>	<b>85,000</b>	<b>5,099,249</b>

2020

	Issued capital	Accumulated losses	Share based payment reserve	Total
	\$	\$	\$	\$
<b>Balance at 18 November 2019</b>	-	-	-	-
Loss for the period	-	(22,331)	-	(22,331)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	-	<b>(22,331)</b>	-	<b>(22,331)</b>
<b>Transactions with owners in their capacity as owners</b>				
Shares issued during the period	365,022	-	-	365,022
<b>Balance at 30 June 2020</b>	<b>365,022</b>	<b>(22,331)</b>	-	<b>342,691</b>

The accompanying notes form part of these financial statements.

## Lode Resources Ltd

ABN: 30 637 512 415

### Statement of Cash Flows For the Year Ended 30 June 2021

	2021	8 months to June 2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Payments to suppliers	(425,500)	(35,241)
Net cash used in operating activities	19 <u>(425,500)</u>	<u>(35,241)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments in relation to exploration and evaluation activities	(302,135)	(30,699)
Payments for security deposits	(78,800)	-
Net cash used in investing activities	<u>(380,935)</u>	<u>(30,699)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Issues of shares	5,246,492	365,022
Net cash provided by financing activities	<u>5,246,492</u>	<u>365,022</u>
Net increase in cash and cash equivalents held	4,440,057	299,082
Cash and cash equivalents at beginning of the period	299,082	-
Cash and cash equivalents at end of the financial period	6 <u><u>4,739,139</u></u>	<u><u>299,082</u></u>

The accompanying notes form part of these financial statements.

## Lode Resources Ltd

ABN: 30 637 512 415

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

The financial report covers Lode Resources Ltd as an individual entity. Lode Resources Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia. The address of the Company's registered office is C/o ESN Partners, Australia Square, Level 30, 264 - 278 George Street, Sydney, NSW, 2000.

The functional and presentation currency of Lode Resources Ltd is Australian dollars.

The financial report was authorised for issue by the Directors on 29 September 2021.

The Company was incorporated on 18 November 2019 and accordingly comparative period presented does not represent a full financial year.

On 21 October 2020, after a special resolution by shareholders, the Company applied to ASIC to become a public company.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on a historical cost basis.

### 2 Summary of Significant Accounting Policies

#### (a) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period.



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 2 Summary of Significant Accounting Policies (cont'd)

##### (b) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

##### (c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

###### Plant and equipment

Plant and equipment are measured using the cost model.

###### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Motor Vehicles	12.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

##### (d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the normal operating cycle; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the normal operating cycle; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 2 Summary of Significant Accounting Policies (cont'd)

##### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

##### (f) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies (cont'd)

#### (f) Financial instruments (cont'd)

##### Financial assets (cont'd)

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(g) Exploration and development expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. As the asset is not available for use it is not depreciated or amortised.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon that area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

##### **(h) Impairment of non-financial assets**

At the end of each reporting period, the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

##### **(i) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **2 Summary of Significant Accounting Policies (cont'd)**

##### **(j) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

##### **(k) Equity-settled compensation**

The Company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Company revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

##### **(l) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

##### **(m) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

#### **3 Critical Accounting Estimates and Judgments**

Company management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates -**

- Note 10 Exploration and evaluation expenditure

##### **Key judgements - capitalisation of exploration and evaluation expenditure**

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$332,834.

## Lode Resources Ltd

ABN: 30 637 512 415

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 4 Income Tax Expense

	2021	2020
	\$	\$
(a) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 26.0%: 2020 27.5%	(149,483)	(6,141)
Add tax effect of:		
- origination and reversal of temporary differences	775	-
- non-deductible expenses	2,445	365
- deferred tax assets not recognised	146,263	5,776
Income tax expense	<u>-</u>	<u>-</u>

#### 5 Operating Segments

##### Identification of reportable segments

The Company's chief operating decision maker has considered the requirements of AASB 8, Operating Segments, and has concluded that, during the year ended 30 June 2021, the Company operated in the mineral exploration within the geographical segments of Australia with no separate reportable segment.

#### 6 Cash and Cash Equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	<u>4,739,139</u>	<u>299,082</u>

#### 7 Trade and Other Receivables

CURRENT		
GST receivable	<u>40,875</u>	<u>1,073</u>

#### 8 Other Financial Assets

NON-CURRENT		
Security deposits	<u>98,800</u>	<u>20,000</u>

#### 9 Property, plant and equipment

PLANT AND EQUIPMENT		
Motor vehicles		
At cost	32,718	-
Accumulated depreciation	(3,978)	-
Total motor vehicles	<u>28,740</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u><b>28,740</b></u>	<u><b>-</b></u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2021**

**9 Property, Plant and equipment (cont'd)**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	<b>Motor Vehicles</b>	<b>Total</b>
	\$	\$
<b>Year ended 30 June 2021</b>		
Additions	32,718	32,718
Depreciation expense	(3,978)	(3,978)
<b>Balance at the end of the year</b>	<b>28,740</b>	<b>28,740</b>
	<b>Motor Vehicles</b>	<b>Total</b>
	\$	\$
<b>Year ended 30 June 2020</b>		
Balance at the beginning of year	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**10 Exploration and Evaluation Assets**

	<b>2021</b>		<b>2020</b>	
	\$		\$	
Exploration and evaluation	<b>332,834</b>		30,699	
	<b>Exploration and evaluation</b>	<b>Development</b>	<b>Production</b>	<b>Total</b>
	\$	\$	\$	\$
<b>2021</b>				
Balance at beginning of the year	30,699	-	-	30,699
Expenditure incurred	302,135	-	-	302,135
Balance at end of the year	<b>332,834</b>	-	-	<b>332,834</b>
<b>2020</b>				
Expenditure incurred	30,699	-	-	30,699

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

The recoverable amount of development expenditure is determined as the higher of its fair value less costs to sell and its value in use.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 11 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	75,861	-
Employee benefits	5,541	-
Sundry payables and accrued expenses	20,492	-
Related party payables	8,163	8,163
Other payables	32,718	-
	<u>142,775</u>	<u>8,163</u>

#### 12 Issued Capital

79,966,002 (2020: 46,460,002) Ordinary shares	<u>5,611,514</u>	<u>365,022</u>
---	------------------	----------------

##### (a) Ordinary shares

	2021	2020
	No.	No.
At the beginning of the reporting period	46,460,002	-
Shares issued during the period	33,506,000	46,460,002
At the end of the reporting period	<u>79,966,002</u>	<u>46,460,002</u>

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

The Company does not have authorised capital or par value in respect of its shares.

##### (b) Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

#### 13 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor, PKF, for:		
- auditing or reviewing the financial statements	23,000	11,000
- corporate finance services	36,030	-
<b>Total</b>	<u>59,030</u>	<u>11,000</u>



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (2020: none).

#### 15 Capital and Leasing Commitments

The NSW Division of Resource and Geoscience requires a commitment to a work program rather than an expenditure commitment. Work programs can be varied annually. The Company has budgeted minimum work programs for each year as shown below. However, it is anticipated that early exploration success in any project will result in higher expenditures for that project.

Project	Licence	Grant / application date	Work Program Commitment			Total
			Year 1	Year 2	Year 3	
			\$	\$	\$	\$
Uralla	EL8980	16/01/2020	60,000	80,000	80,000	220,000
Webbs Consol	EL8933	14/05/2020	35,000	40,000	50,000	125,000
Fender	EL9003	12/10/2020	45,000	55,000	65,000	165,000
Elsinore	EL9004	12/10/2020	30,000	45,000	45,000	120,000
Tea Tree	EL9084	11/03/2021	35,000	40,000	50,000	125,000
Thor	EL9085	11/03/2021	45,000	55,000	65,000	165,000
Uralla West	EL9087	12/03/2021	20,000	25,000	25,000	70,000
<b>Total commitments</b>			<u>270,000</u>	<u>340,000</u>	<u>380,000</u>	<u>990,000</u>

Other than the work program commitments above, the Company had no leasing or capital commitments at 30 June 2021.

#### 16 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

##### Specific risks

- Liquidity risk
- Credit risk

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 16 Financial Risk Management (cont'd)

##### Financial instruments used

The principal financial instrument used by the Company are summarised as follows:

	2021	2020
	\$	\$
<b>Financial assets</b>		
Held at amortised cost		
Cash and cash equivalents	4,739,139	299,082
Security deposits	98,000	20,000
<b>Total financial assets</b>	<b>4,837,139</b>	<b>319,082</b>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	142,775	8,163
<b>Total financial liabilities</b>	<b>142,775</b>	<b>8,163</b>

##### Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Lode Resource's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems will be reviewed regularly to reflect changes in market conditions and the Company's activities.

Mitigation strategies for specific risks faced are described below:

##### Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits held.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks and governmental bodies with high quality external credit ratings.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 17 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of Lode Resources Ltd during the year are as follows:

	2021	2020
	\$	\$
Share-based payments	<u>85,000</u>	<u>-</u>

#### 18 Related Parties

##### (a) The Company's main related parties are as follows:

Key management personnel who comprise the Board of Directors

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

##### (b) Transactions with related parties

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

During the period, no Company expenses were paid by Directors or entities controlled by Directors and reimbursed by the Company (2020: \$8,163 was owed to Ted Leschke).

#### 19 Cash Flow Information

##### (a) Reconciliation of result for the period to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Loss for the period	(574,934)	(22,331)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	3,978	-
- issue of share based payments to employees	85,000	-
Changes in assets and liabilities:		
- increase in trade and other receivables	(39,802)	(1,073)
- increase in other assets	(1,636)	(20,000)
- increase in trade and other payables, net of amounts due for property, plant and equipment	101,894	8,163
Cashflows from operations	<u>(425,500)</u>	<u>(35,241)</u>

#### 20 Share-based Payments

At 30 June 2021 Lode Resources Ltd has the following share-based payment schemes:

During the year the Company granted 1,000,000 unlisted options to the Non-executives Directors under no specific plan to acquire options over unissued ordinary shares in the Company (2020 – nil). The options have no voting or dividend rights. The options vested immediately on Grant Date and there are no vesting conditions attached to the options issued.

The options are under escrow until 2 July 2023. Any options not exercised by the expiry date will lapse automatically.

## Lode Resources Ltd

ABN: 30 637 512 415

### Notes to the Financial Statements For the Year Ended 30 June 2021

A summary of the Company options issued is as follows:

2021 Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
31 March 2021	2 July 2023	0.30	-	1,000,000	-	-	1,000,000	-

The weighted average remaining contractual life of options outstanding at year end was 1.75 years (2020: Nil). The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.30.

The weighted average fair value of the options granted during the year was \$ 0.09 (2020: \$ -). These values were calculated by using a Black-Scholes option pricing model applying the following inputs:

Grant date: 31 March 2021

Expiry date: 2 July 2023

Share price at grant date (\$): 0.20

Exercise price (\$): 0.30

Weighted average life of the option  
(years): 2

Expected share price volatility: 100.00%

Risk-free interest rate: 0.08%

Fair value at grant date (\$): 0.09

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

#### 21 Earnings per Share

2021	2020
\$	\$

Basic and diluted loss per share has been calculated using:

Net loss for the year attributable to equity holders of the parent	<u>(574,934)</u>	<u>(22,331)</u>
--	------------------	-----------------

#### **Weighted average number of ordinary shares (basic and diluted)**

Issued ordinary shares at beginning of year	<b>46,460,002</b>	-
Effect of shares issued (Note 12)	<b>4,248,000</b>	11,908,902
Weighted average ordinary shares at the end of the year	<b>50,708,002</b>	11,908,902

#### 22 Events Occurring After the Reporting Date

The financial report was authorised for issue on 29 September 2021 by the board of directors.

On 2 July the Company commenced quotation of the Australian Securities Exchange ASX. On 14 July 2021, the Company granted 500,000 unlisted to the Exploration Manager the options are exercisable at 30 cents vest immediately with an expiry on 14 July 2023

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

## Lode Resources Ltd

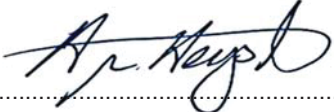
ABN: 30 637 512 415


### Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the period ended 30 June 2021 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the Company;
2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

  
Director .....  
Andrew Van Heyst

  
Director .....  
Ted Leschke

Dated 29 September 2021

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LODE RESOURCES LIMITED

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Lode Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Lode Resources Limited, is in accordance with the Corporations Act 2001, including:

- (a) Giving a true and fair view of the company's financial position as at 30 June 2021, and of its financial performance for the year then ended; and
- (b) Complying with the Australian Accounting Standards and Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

## Other Information (cont'd)

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

## Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



PKF



SCOTT TOBUTT  
PARTNER

29 SEPTEMBER 2021  
SYDNEY, NSW



## Lode Resources Ltd

### ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 31 August 2021.

#### SECURITIES EXCHANGE

The Company is listed on the Australian Securities Exchange. The Home Exchange is Sydney.

#### SUBSTANTIAL SHAREHOLDERS

The number of substantial shareholders and their associates are set out below:

Shareholder	Number of Shares
Andrew Van Heyst	21,250,001
Edward Leschke	20,750,001
Michael Ruane	7,050,000

#### THE NUMBER OF HOLDERS IN EACH CLASS OF SECURITIES

The total distribution of fully paid shareholders and Optionholders as at 31 August 2021 was as follows:

Type of security	Number of holders	Number of securities
Ordinary shares	375	79,966,002
Unlisted options	3	1,500,000

#### CLASS AND VOTING RIGHTS

The voting rights attached to ordinary shares, as set out in the Company's Constitution, are that every member in person or by proxy, attorney or representative, shall have one vote on a show of hands and one vote for each share held on a poll.

A member holding partly paid shares is entitled to a fraction of a vote equivalent to the proportion which the amount paid up bears to the issue price for the shares.

Options don't carry voting rights.

#### DISTRIBUTION OF SHAREHOLDERS AND OPTIONHOLDERS

The total distribution of fully paid shareholders and unlisted optionholders was as follows:

Range	Total Shareholders	Total Optionholders
1 - 1,000	5	-
1,001 - 5,000	14	-
5,001 - 10,000	114	-
10,001 - 100,000	173	-
100,001 and over	69	3
<b>Total</b>	<b>375</b>	<b>3</b>

#### ON MARKET BUY BACK

There is no on market buy-back.

#### ESCROWED SECURITIES

As at 31 August 2021, there were 44,029,900 escrowed ordinary shares and 1,000,000 options.

## Additional Information for Listed Public Companies

### LESS THAN MARKETABLE PARCELS

On 31 August 2021, there are 12 holders of less than a marketable of 3,846 ordinary shares.

### TWENTY LARGEST SHAREHOLDERS

As at 31 August 2021, the twenty largest quoted shareholders held 76.25% of the fully paid ordinary shares as follows:

Name	Ordinary Shares	
	Quantity	%
Augusta Enterprises Pty Ltd <Augusta Enterprises A/C>	20,115,000	25.15
A M Van Heyst Superannuation <A Van Heyst Private S/F A/C>	19,875,000	24.85
Tyson Resources Pty Ltd	4,000,000	5.00
Kesli Chemicals Pty Ltd <Ruane S/F A/C>	3,050,000	3.81
Williams Northwood Pty Ltd <William Super Fund A/C>	1,500,000	1.88
Janice Elizabeth Gibson & Kenneth William Gibson <K&J Gibson Super Fund A/C>	1,500,000	1.88
One Managed Investment Funds Limited	1,499,142	1.87
Dowmardella Pty Ltd	1,000,000	1.25
Mr Kenneth William Gibson & Mrs Janice Elizabeth Gibson Linear Asset Management Eap	1,000,000	1.25
A M Van Heyst Superannuation c/- ESN Partners	875,001	1.09
MCJP Darling Enterprise Pty Ltd	825,000	1.03
UBS Nominees Pty Ltd	750,089	0.94
Station Capital Pty Ltd Level 20 Gateway Building	750,000	0.94
Ashabia Pty Ltd C/-Praemium S2 (S60189-Mjw)	750,000	0.94
DHR Superannuation Pty Ltd	727,999	0.91
Augusta Enterprises Pty Ltd	635,001	0.79
Mr David Ariti	625,000	0.78
Wisevest Pty Ltd	500,000	0.78
Ms Renae Wainwright & Mr David Lawrence Hughes	500,000	0.63
Villasor Holdings Pty Ltd C/- Esn Partners	500,000	0.63

### TWENTY LARGEST OPTIONOLDERS

As at 31 August 2021, optionholder that held 20% or more of the unquoted options.

Name	Unlisted Options	
	Quantity	%
Jason Michael Beckton	500,000	33.33%
Keith Anthony Mayes	500,000	33.33%
Mitchell Tarrant	500,000	33.33%

## Additional Information for Listed Public Companies

### TENEMENTS SCHEDULE

Project	Location	Licence Number	Holder	Interest %	Type of Tenement
Uralla	NSW	EL8980	Lode Resources Ltd	100	Exploration
Uralla West	NSW	EL9087	Lode Resources Ltd	100	Exploration
Webbs Consol	NSW	EL8933	Lode Resources Ltd	100	Exploration
Fender	NSW	EL9003	Lode Resources Ltd	100	Exploration
Elsinore	NSW	EL9004	Lode Resources Ltd	100	Exploration
Tea Tree	NSW	EL9084	Lode Resources Ltd	100	Exploration
Thor	NSW	EL9085	Lode Resources Ltd	100	Exploration