

ASX Code: LDR

# ACQUISITION OF MONTEZUMA ANTIMONY PROJECT COMPLETED

**Lode Resources Ltd** ('Lode' or 'Company') **(ASX: LDR)** is pleased to announce that the Company has completed the acquisition of the Montezuma Antimony Project located in Tasmanian's premier West Coast Mining Province. Lode now owns 100% of the Project.

The Montezuma Antimony Project significantly accelerates Lodes strategic aim of becoming Australia's next antimony producer during a period of critical global antimony supply shortages and record high antimony prices.

# Highlights

- Lode completes acquisition of the Montezuma Antimony Project, an advanced antimony project that includes a high-grade antimony-silver-lead deposit with initial mine development, advanced metallurgy, significant mining equipment and beneficiation infrastructure.
- All historic surface channel sampling, exploration adit face sampling and diamond drill core sampling has been reviewed and Lode intends to update the market in the near future on actions being carried out to bring exploration results up to JORC standards.
- Development of portal box cut and commencement of exploration drive has produced stockpiled mineralisation with the potential for direct shipping ore.
- Metallurgical test work is well advanced with 90% recoveries of antimony achieved producing a saleable antimony product.
- R&D funding discussions are ongoing with local and international institutions including those representing major western governments.
- Montezuma Antimony Project acquisition complements Lode's antimony exploration portfolio in the New England Fold Belt, NSW's most prolific antimony province. Together, these assets create a formidable Antimony division within Lode.
- Also compliments Lode's high-grade Silver portfolio with assays due shortly from the Webbs Consol Silver project where drilling at the Castlereagh prospect has been completed.
- Montezuma Antimony Project acquisition terms are:
  - > \$50,000 non-refundable cash deposit paid during October 2024; plus
  - > \$200,000 cash payable on completion of the Acquisition; plus
  - 10,000,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.10per share on completion of the Acquisition subject to 12-month escrow; plus
  - Up to 6,000,000 fully paid ordinary shares in the Company at a deemed issue price of \$0.10 per share upon satisfaction of certain performance hurdles by the Sellers (key terms are outlined in Annexure 1) and subject to 12-month escrow.

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### Andrew Van Heyst, Lode's Chair, commented:

"The Montezuma acquisition is a significant step forward in the development of Lode Resources. It accelerates the company towards producer status and complements our existing high-grade Silver and Antimony projects in NSW. Importantly we are appointing the vendor Mr Steven McDermott to be our Tasmanian Operations manager and his extensive skills in mine management can also help development of our New England projects, specifically Webbs Consol Silver and the Magwood Antimony mine."

### Ted Leschke, Lode's Managing Director, commented:

"The Montezuma Antimony Project shapes as a particularly exciting asset for Lode shareholders, given the high-grade nature of the deposit, very high antimony prices and many other components already in place that will accelerate development.

Our enhanced cash position as a result of our recent funding initiative means we can now proceed to systematic mapping of the deposit including development of an underground exploration drive, ahead of a co-ordinated drilling programme with a view to progressing Montezuma to a maiden high-grade antimony resource. Existing mining equipment and beneficiation infrastructure as part of the Montezuma transaction sets Lode apart from many companies as it will assist offtake and other financing discussions.

We are also excited about applying part of the equity raising towards advancing our 100% owned Magwood Antimony Project in the north-east of New South Wales. Magwood was Australia's largest primary antimony production source throughout the 1960s and 1970s, and was of such a strong grade that the then-owners never undertook drilling of the deposit.

Shareholders of Lode now have that opportunity at a time when investors and government agencies are recognising the material strategic value of antimony found in western world jurisdictions. Work on Montezuma will begin immediately."

## Montezuma Antimony Project

The Montezuma Antimony Project includes a high-grade antimony-silver-lead deposit with initial development, advanced metallurgical test work and significant beneficiation infrastructure. The Montezuma Antimony Project deposit (2M-2023, EL7-2019) is located between well-known mining centres such as Rosebery (Zn,Cu,Pb), Renison Bell (Sn), Henty (Au) and Zeehan(Pb,Ag). Access is via the Zeehan township located 14km to the west.

Figure 1. Montezuma Antimony Project located in Tasmanian's premier West Coast Mining Province





The Montezuma antimony-silver-lead deposit is a structurally controlled lode, emplaced primarily within the well-known Motezuma fault and hosted by a sequence of turbidites. Antimony and lead are contained within Jamesonite, a lead-iron-antimony sulphide mineral ( $Pb_4FeSb_6S_{14}$ ) and is a late-stage hydrothermal mineral forming at moderate to low temperatures. This project is also prospective for copper, zinc and gold.

The Montezuma antimony-silver-lead deposit is defined by surface sampling of the exposed mineralised structure over 50m strike length, development face sampling and 13 diamond drill holes which have intercepted high-grade mineralisation down to a depth of 80m. The Montezuma antimony-silver-lead deposit remains open to the north, south and at depth.



Figure 2. Montezuma antimony-silver-lead deposit - long section

**Figure 3.** Commencement of underground development –mineralisation from a 50m exploration drive to feed pilot plant



**Figure 4.** Saleable antimony product sodium pyroantimonate (Na4Sb<sub>2</sub>O<sub>7</sub>) produced during metallurgical test work





**Figure 5.** Significant beneficiation infrastructure including crushing and grinding equipment







The Montezuma Antimony Project's pilot scale beneficiation plant is located 15km to the northwest of the Zeehan township. Infrastructure includes connection to grid power, cone crusher, ball mill, gravity tables, spirals, tankage, raw water and a recently constructed tailings dam. Trial pilot scale beneficiation treatment of Montezuma mineralisation is planned once metallurgical parameters, tankage configuration and permitting are finalised.

Figure 7. Montezuma Antimony Project - beneficiation plant and associated services infrastructure



Significant bench scale metallurgical test work has been carried out to date by Core Resources, a Brisbane based metallurgical project development firm. Finalisation of this work is needed. "Core has completed flowsheet design, test work and engineering plans for the Montezuma Antimony Project. This work has involved developing an innovative approach to recovering antimony from Jamesonite, whilst recovering silver and lead by-products in a low-cost and straightforward process flowsheet that could be implemented on site using readily available equipment."<sup>1</sup>

<sup>1</sup> https://coreresources.com.au/unlocking-antimony-core-resources-expertise-amid-global-supply-challenges/



Metallurgical test work on a batch of development mineralisation involved bulk leaching, hydrocycloning remaining solids to produce a separate a Pb/Ag product (See Table 1), oxidation, crystallization and precipitation of an antimony compound. A 90% antimony recovery and 47% antimony content by weight was achieved.

The resultant product sodium pyroantimonate (Na<sub>4</sub>Sb<sub>2</sub>O<sub>7</sub>) is primarily used as a glass clarifier and, given its application in solar panels, has particularly strong demand growth. Additional metallurgical test work may include the production of synthetic antimony (Sb<sub>2</sub>S<sub>3</sub>). This product has smelter applications, in particular as a hardener in lead alloys. Testwork to date has primarily focused on maximising antimony recoveries. Further metallurgical work is needed to determine silver and lead recoveries, however high-grade concentrate grading 2,575 g/t Ag and 60% Pb has already been achieved.

**Table 1.** Silver-Lead concentrate grades fromcyclone overflow (-C5 configuration)

Bulk	Ag	Pb
Cyclone	g/t	%
Batch 1 O/F	2,390	60.30
Batch 2 O/F	2,760	60.90
Average	2,575	60.60

Figure 9. Concentrate product using various cycloneconfigurations



### Figure 10. Montezuma Processing Flowsheet







Figure 11. Montezuma Alkaline Sulphide Leaching and Air Oxidation Test Set Up

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

For more information on Lode Resources and to subscribe for our regular updates, please visit our websiteat <u>www.loderesources.com</u> or email info@loderesoruces.com

### **No Material Changes**

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

### **Competent Person's Statement**

The information in this market announcement that relates to exploration results is based on information compiled by Mr Jason Beckton, who is a Member of the Australian Institute of Geoscientists. The information in this market announcement is an accurate representation of the available data for Montezuma project. Mr Beckton, who is Executive Director – Resource Development at Lode, has sufficient experience which is relevant to the style of mineralisation and type of depositunder 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 ExplorationResults, Mineral Resources and Ore Reserves'. Mr Beckton has a beneficial interest as ashareholder and option holder of Lode and consents to the inclusion in this announcement of the matters based on the information in the form and context in which it appears.



# Annexure 1 Material Terms of Acquisition Agreement

#### Acquisition

100% of the issued share capital in Spero MiningPty Ltd (Spero Mining) and t the shares in its wholly owned subsidiary Ten Star Mining Pty Ltd (Ten Star Mining), and the tenements owned by Spero Mining, its directors and Ten Star Mining.

**Counterparty** Steven McDermott, Keith McDermott and Ten Star Mining

Spero Mining and Ten Star Mining

Project	Tenement No.	Holder	Date of expiry	Location	Area
Montezuma Antimony	2M-2023	K & S McDermott	28/12/2025	Moore's Pimple, Montezuma Nth	5 ha
	EL7-2019	Spero Mining	24/03/2020	Moore's Pimple	4 sq km
Heemskirk Tin – Globe Siler Mine	2M-2018	Ten Star Mining	05/03/2027	Donnelly's Lookout, two separate areas	78 ha
	32M-1988	Ten Star Mining	01/11/2024	Granville Harbour, Mt Heemskirk dolerite rock quarry, within EL9-2019	1 ha
	EL9-2019	Ten Star Mining	10/06/2026	Vicinity of Heemskirk Rd	91 sq km

Purchase

In consideration, the Company agrees to pay the following to the Sellers:

- \$50,000 non-refundable paid during October 2024 (SigningConsideration); Α.
- Β. \$200,000 in cash on the completion date (**Completion Payment**);
- C. 10,000,000 fully paid ordinary shares in the Company on the completion date(Consideration Shares);
- up to 6,000,000 fully paid ordinary shares (Performance Shares) within D. seven days of satisfaction of the below performance conditions:
  - research and development grant from AusIndustry R&D Tax Incentive with i. minimum R&D refund of \$50,000;
  - ii. submission of US Department of Defence white paper;
  - iii. achieve a JORC Mineral Resources estimate with no minimum tonnage or grade required;
  - antimony offtake agreement for a minimum of 85 tonnes; and iv.
  - v. completion of a 50m exploration drive.
- Ε. The performance shares have an expiry date of 30 June 2026 and if the above milestones are not achieved by the expiry date the performance shares will be cancelled.

Note that:

F. the Consideration Shares and Performance Shares will be subject to 12 months voluntary escrow from the date of issue.



**Completion date** Completion date 29 November 2024.

Source of funds to pay the PurchasePrice

The Company will fund the Purchase Price using shares and existing funds held within its cash reserves.

Changes to Board/senior management

The proposed acquisition will not result in any change to the Board, however Steve McDermott and Keith McDermott will be retained as employees of the Company to facilitate the integration of the companies and in the hopes of achieving those performance conditions which will entitle them to the Performance Shares.