

Lode Gold: 2024 Year-End Review and 2025 Outlook

Toronto, Ontario--(Newsfile Corp. - December 11, 2024) - **Lode Gold Resources Inc. (TSXV: LOD) (OTCQB: SBMIF) ("Lode Gold " or the "Company")** is pleased to provide a year-end update.

Dear Investors,

I am excited to update you on our progress since I took over as CEO less than a year ago, just before Christmas in December 2023. With the support of the board, key shareholders, and the dedicated Lode Gold team, we have raised \$6M since March 2024 and completed numerous tasks to reorganize the Company. These efforts have positioned us for future success and growth, and I am grateful for the continued support and confidence you have shown in our vision.

Strategy: Create Two Pure Play Companies to Unlock Value and Attract New Investors

Last year, around this time, I met with bankers to discuss how we plan to unlock value by spinning out the Company's assets to create two pure-play companies. **This strategy resonated with many as Lode Gold has key assets situated in highly prospective mining regions in Canada and the United States. This initiative immediately creates two \$7M companies from one \$7M entity, thereby generating accretive value for shareholders.**

Focus on Intrinsic Asset Value vs Market Cap: Do some small-cap stocks outperform large-cap investments in the long run?

Clifford Asness, who played a key role in building Goldman Sachs' Global Alpha before founding AQR, and now manages over \$33 billion in assets, published a whitepaper that challenged the Efficient Market Theory. **It stipulated that value may be factored into price with large-cap companies, but it may not be the case with small-cap stocks¹.** It states that with small or micro-cap stocks, the Less-Efficient-Market Hypothesis often holds. Why? The market is inherently inefficient due to a fragmented shareholder base and a lack of distribution, awareness and liquidity. As such, if capital is patient, investing in a small-cap stock may result in a higher return on investment in the long run compared to a large-cap stock.

In the case of Lode Gold, the intrinsic value, verified with a third-party NI 43-101 technical report, has an NPV USD \$370M, yet the market cap trades at a fraction of the real value. Notwithstanding, a planned spin-out transaction valued at an additional \$7.65M (pre-money value to current Lode Gold shareholders) has already obtained conditional approval.

This is a value proposition, validated by smart money: strategic investors and institutional shareholders; a total of four own approximately 60%. Intrigued by the potential of this undervalued play, I accepted the challenge of leading its turnaround and growth.

Near-Term: Gold Orogen spin out to unlock value for shareholders

The company has three key orogenic assets, with proven gold endowment.

To unlock value for shareholders; immediately we are spinning out the Canadian assets into a new company, Gold Orogen. Each Lode Gold shareholder will get shares of Gold Orogen; via a tax-efficient spin-out.

Additionally, a \$3M raise has been completed at Gold Orogen, based on a \$7.65M pre-money valuation. The current valuation for Lode Gold, the parent company, is at \$7M. We are topping up with an additional \$1.5M to ensure a \$4.5M investment program for 2025 at Gold Orogen; as such both the assets in

Yukon and NB will be drilled in the upcoming exploration season in the new year. Post-money, Gold Orogen will be at \$12M+.

A gold asset on the Mother Lode Belt with MRE: 1 (M&I) + 2 (Inferred) Moz Au and a 2023 PEA: USD \$370M (NPV 5%) will remain in the parent co, Lode Gold. Lode Gold intends to pursue a high grade underground mine opportunity. This project sits on 100% privately owned patented land where the mining license was suspended in 1942 due to the war effort.

Spin Out Unlocks Shareholder Value: Confirmed gold endowment and RIRGS on Tombstone Belt

The spin-out will result in the formation of two pure-play companies, each focused on specific areas of exploration in Canada and the US.

Company 1: Spin Co - Gold Orogen

Asset 1:

- 27 km strike, 99.5 km² in **Yukon, prolific Tombstone Belt** (Snowline, 3 Aces, Sitka Gold)
- Total of four Reduced Intrusive Targets (RIRGS)

Asset 2:

- New Brunswick: Created one of the largest land packages (420 km²)
- Geological analogue to New Found Gold, Galway, Calibre Mining and Puma-Kinross
- Confirmed gold endowment

Company 2: Parent - Lode Gold

Lode Gold is the first company to evaluate this project from an underground perspective.

- Brownfield, previously mined at 8 g/t in the 1940's.
- 4 km strike on the 190 km mineralized Mother Lode Belt: 50,000,000 oz produced
- 100% owned private and patented land: 3,351 acres, Mariposa County
- California: 700 permitted mines; 14 gold
- Mine suspended in 1942 due to gold prohibition in WWII
- Target: 2 Moz underground 5 g/t Au
- Typical Orogenic Deposit with Structural Controls
- 3 Step-Out Holes hit structure (up to 1,200 m)
- 2 nearby mines were up to 1,800 m deep at 13 g/t
- 43,000 m drilled with 23 km of underground workings
- 11% of the veins (2 of 7 deposits) exploited; mostly in the first 250 m
- 2023 MRE: 1 Moz (M&I) + 2 Moz (Inferred)
- 2023 PEA at USD \$2,000/oz Au: After-tax NPV (5%) USD \$370M, 31% IRR, 11 years LOM
- Close to road, rail, power, water

Milestones Achieved in 2024:

1. Executed Spin Out Plan

- Received conditional acceptance from the TSXV for the spinout transaction

2. Improved Capital Structure

- Lode Gold added two additional key institutional and strategic shareholders
- For \$3M, a 19.9% strategic joint venture partner with strong technical expertise, was added to the new Spin Co
- Tight share structure: 10:1 consolidation. About 40,000,000 shares outstanding for both

companies

3. Cleaned Up Balance Sheet

- Converted a secured debt holder to be the second-largest shareholder
- Repaid shareholder working capital loan
- Resolved a legacy lawsuit and eliminated a \$1.6M liability

4. Enhanced Value of Assets in Yukon, New Brunswick and California

- New Brunswick:
 - Created one of the largest land packages in the province, potentially a district play
 - Completed comprehensive geophysics and soil sampling to define drill targets
- Yukon:
 - Identified four RIRGS targets for exploration work in 2025
 - Confirmed RIRGS at WIN; high bismuth : gold ratio, gold-bearing sheeted quartz veins, hosted in hornfels
- California:
 - The first to review the project from an underground perspective
 - Completed Geological Model: 11% of the veins exploited, in 2 out of 7 deposits. Most extraction in the first 250 m. 3 step-out holes at depth, mineralized and hit structure, a typical orogenic deposit
 - Commissioned NI 43-101 to update the 2023 MRE

5. Strengthening the Lode Gold Team

- Enhanced bench strength by adding key personnel to the technical and marketing teams, visit our website to view their full bios (lode-gold.com)
- Addition of Martin Stratte, Lode Gold's former Director of the Board, to our Advisory Team. He was previously on the permitting team at Castle Mountain, Equinox Gold (2018-2021). The project was acquired for \$200 million in 2018, and it was permitted in 2021

Upcoming Catalysts in 2025

- Spin Co: Shareholders get shares of a new company
- Drilling to investigate 4 RIRGS reduced intrusive targets in Yukon Tombstone Belt, 200 km from Snowline
- Drilling in New Brunswick assets upon systematic exploration: geophysics, soil sampling, mapping, geochemistry
- California: Revised NI 43-101 Mineral Resource Estimate (updating 2023 MRE and investigating high grade underground potential)
- California: Evaluate reactivating a previous mine, where the license was suspended during WWII

Invest in One Company. Get Shares of Two Companies: Optionality on three key assets

Investing in Lode Gold presents an exciting opportunity for shareholders to benefit from an advanced gold exploration project and a forthcoming spinoff with two high-value assets. This strategic move is aimed at unlocking maximum value for investors, who will gain exposure to three highly prospective gold assets through shares in two separate companies.

Wishing you a season filled with joy and prosperity.

Yours truly,

Wendy T. Chan. CEO & Director

About Lode Gold

Lode Gold (TSXV: LOD) is an exploration and development company with projects in highly prospective and safe mining jurisdictions in Canada and the United States.

In Canada, its Golden Culvert and WIN Projects in Yukon, covering 99.5 km² across a 27-km strike length, are situated in a district-scale, high grade gold mineralized trend within the southern portion of the Tombstone Gold Belt. A total of four RIRGS targets have been confirmed on the property. A NI 43-101 technical report has been completed in May 2024.

In New Brunswick, Lode Gold has created one of the largest land packages with its Acadian Gold JV Co; consisting of an area that spans 420 km² and a 42 km strike. McIntyre Brook covers 111 km² and a 17-km strike in the emerging Appalachian/lapetus Gold Belt; it is hosted by orogenic rocks of similar age and structure as New Found Gold's Queensway Project. Riley Brook is a 309 km² package covering a 25 km strike of Wapske formation with its numerous felsic units. A NI 43-101 technical report has been completed in August 2024.

In the United States, the Company is advancing its Fremont Gold project. This is a brownfield project with over 43,000 m drilled and 23 km of underground workings. It was previously mined at 8 g/t Au in the 1940's.

Mining was halted in 1942 due the gold prohibition in WWII just as it was ramping up production. Unlike typical brownfield projects that are mined out; only 11% of the veins - in 2 out of 7 deposits have been exploited. The Company is the first owner to investigate an underground high grade mine potential at Fremont.

The project is located on 3,351 acres of private and patented land in Mariposa County. The asset is a 4 km strike on the prolific 190 km Mother Lode Gold Belt, California that produced over 50,000,000 oz of gold and is instrumental in the creation of the towns, the businesses and infrastructure in the 1800s gold rush. It is 1.5 hours from Fresno, California. The property has year-round road access and is close to airports and rail.

Previously, in March 2023 the company completed an NI 43 101 Preliminary Economic Assessment ("PEA"). Project Valuation has an after-tax NPV (5%) of USD \$370M at \$2000 2 /oz gold, IRR 31% and an 11-year LOM, averaging 118,000 oz per year. At \$1,750 /oz gold, NPV (5%) is \$217M. The project hosts an NI 43-101 resource of 1.16 Moz at 1.90 g/t Au within 19.0 MT Indicated and 2.02 Moz at 2.22 g/t Au within 28.3 MT Inferred. The MRE evaluates only 1.4 km of the 4 km strike of Fremont property. Three step-out holes at depth (up to 1200 m) hit structure and were mineralized.

All NI 43-101 technical reports are available on the Company's profile on SEDAR+ (www.sedarplus.ca) and the Company's website (www.lode-gold.com).

QUALIFIED PERSON STATEMENT

The scientific and technical information contained in this press release has been reviewed and approved by Jonathan Victor Hill, Director, BSc (Hons) (Economic Geology - UCT), FAusIMM, and who is a "qualified person" as defined by NI-43-101.

ON BEHALF OF THE COMPANY

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Cautionary Note Related to this News Release and Figures

This news release contains information about adjacent properties on which the Company has no right to explore or mine. Readers are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on the Company's properties.

Cautionary Statement Regarding Forward-Looking Information

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release includes "forward-looking statements" and "forward-looking information" within the meaning of Canadian securities legislation. All statements included in this news release, other than statements of historical fact, are forward-looking statements including, without limitation, statements with respect to the completion of the transaction and the timing thereof, the expected benefits of the transaction to shareholders of the Company, the structure, terms and conditions of the transaction and the execution of a definitive agreement, the timing of submission to the CSE and TSXV, Gold Orogen raising an additional \$1,500,000 and the anticipated use of proceeds. Forward-Looking statements include predictions, projections and forecasts and are often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "estimate", "expect", "potential", "target", "budget" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions and includes the negatives thereof.

Forward-Looking statements are based on a number of assumptions and estimates that, while considered reasonable by management based on the business and markets in which the Company operates, are inherently subject to significant operational, economic, and competitive uncertainties, risks and contingencies. These include assumptions regarding, among other things: that the Company and GRM will be able to negotiate the definitive agreement on the terms and within the time frame expected, that the Company and GRM will be able to make submissions to the CSE and TSXV within the time frame expected, that the Company and GRM will be able to obtain shareholder approval for the transaction, that the Company and GRM will be able to obtain necessary third party and regulatory approvals required for the transaction, if completed, that the transaction will provide the expected benefits to the Company and its shareholders.

There can be no assurance that forward-looking statements will prove to be accurate and actual results, and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include adverse market conditions, general economic, market or business risks, unanticipated costs, the failure of the Company and GRM to negotiate the definitive agreement on the terms and conditions and within the timeframe expected, the failure of the Company and GRM to make submissions to the CSE and TSXV within the timeframe expected, the failure of the Company and GRM to obtain shareholder approval for the transaction, the failure of the Company and GRM to obtain all necessary approvals for the transaction, and other risks detailed from time to time in the filings made by the Company with securities regulators, including those described under the heading "Risks and Uncertainties" in the Company's most recently filed MD&A. The Company does not undertake to

update or revise any forward-looking statements, except in accordance with applicable law.

¹ Asness, Clifford S. "The Less-Efficient Market Hypothesis," SSRN, August 30, 2024. Available at SSRN (papers.ssrn.com).



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