

27 July 2023

Quarterly Activities Report: Major Resource Upgrade Delivered at Narraburra and Copper-Gold Exploration Projects well progressed

- Maiden JORC 2012 Mineral Resource Estimate for the Narraburra Rare Earths Project delivered consisting of 94.9Mt at 739ppm TREO¹ with a higher-grade component of 20Mt at 1,079ppm TREO
- Maiden resource is a 126% uplift in TREO grade and 30% increase in tonnage from JORC 2004 resource, with 50% of Mineral Resource classified as Indicated (in accordance with JORC 2012)
- Maiden metallurgical results from independent laboratory ANSTO, with initial leach testing showing promising leachability of RE elements
- Highly encouraging 92% recovery of key magnet REE's (Pr, Nd, Tb, Dy) with individual elements Nd 94% and Pr 90% - highlights Narraburra's low-cost development potential
- Drill-ready copper and gold targets identified from soil and rock chip samples at Yeoval East – 113 soil and 6 rock chip samples returned highly anomalous copper and gold
- Yeoval East remains under-explored, with follow up drilling being planned
- Appointment of Ms Amanda Sparks bolsters GRL board – Ms Sparks has over 30 years resource industry experience, including direct financial experience with mining companies at both the exploration stage and the production stage

Godolphin Resources Limited (ASX: GRL) (“Godolphin” or the “Company”) is pleased to provide the following update on activities undertaken during the three-month period ended 30 June 2023 (the ‘quarter’). The Company delivered several major milestones, including an updated Mineral Resource Estimate and metallurgical results for the Narraburra Rare Earths Project, as well as progressing corporate initiatives which provide a strong foundation for value creation over the coming quarters.

Management commentary:

Managing Director Ms Jeneta Owens said:

“We are pleased with the June quarter operations, with consistently strong execution across the Company’s project suite led by the delivery of a maiden Mineral Resource Estimate at Narraburra. Together with developing our drill plans for our copper and gold projects, Godolphin has laid a very strong foundation for the pursuit of our stated near-term exploration and development targets over the next six months.

The MRE at our Narraburra rare earths project highlights the significant scale of the project and has also allowed our exploration team to gain a much better understanding of the project. Initial metallurgical test results were very promising and highlight the potential for low cost and near-term development.

¹Total REO (TREO) = Total REOs + Yttrium oxide ((La2O3 + CeO2 + Pr6O11 + Nd2O3 + Sm2O3 + Eu2O3 + Gd2O3 + Tb4O7 + Dy2O3 + Ho2O3 + Er2O3 + Er2O3 + Tm2O3 + Yb2O3 + Lu2O3) + Y2O3).



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Elsewhere in the group’s portfolio, our exploration team have continued to advance drill program planning at Yeoval, Goodrich and Cyclops to pursue copper and gold targets. We anticipate the commencement of drilling at these prospects in the next quarter.

The Company looks forward to providing additional updates on operational objectives in coming weeks.”

Rare Earth Element (REE) Projects:

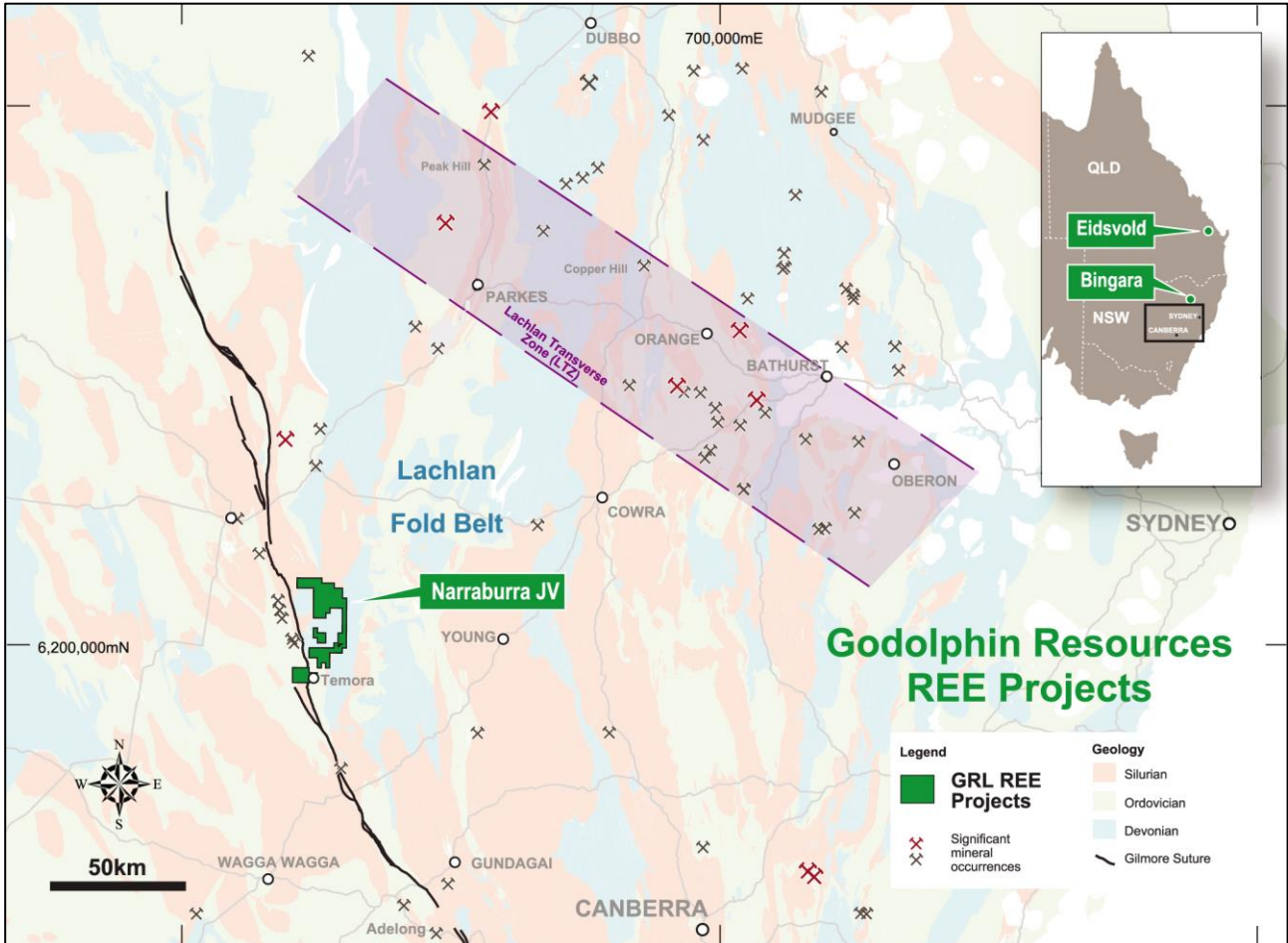


Figure 1: Location of REE focussed tenements in NSW and Qld.

Narraburra Rare Earth Element Project (‘Narraburra’):

Significant increase to Mineral Resource Estimate (MRE) and Resource major upgrade:

Godolphin significantly increased the tonnage, grade and resource category of the Narraburra REE Project during the period, highlighted through the release of a maiden JORC 2012 resource at the Project of:

94.9 million tonnes at 739ppm TREO with a higher grade component of 20 million tonnes at 1,079ppm TREO in accordance with JORC (2012)².

The updated MRE considerably validates Godolphin’s approach to exploration with ongoing work to fast track the development of Narraburra. The upgraded resource highlights a 126% increase in TREO grade and a 30% uplift in total tonnage from the Project’s historical JORC 2004 resource.

² Refer to ASX announcements (ASX: GRL) 19 and 21 April 2023.



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The increased MRE also resulted in 50% of the defined mineral resource classified at Indicated, in accordance with JORC (2012), all of which has been completed in just over 12 months since Godolphin took an initial interest in Narraburra.

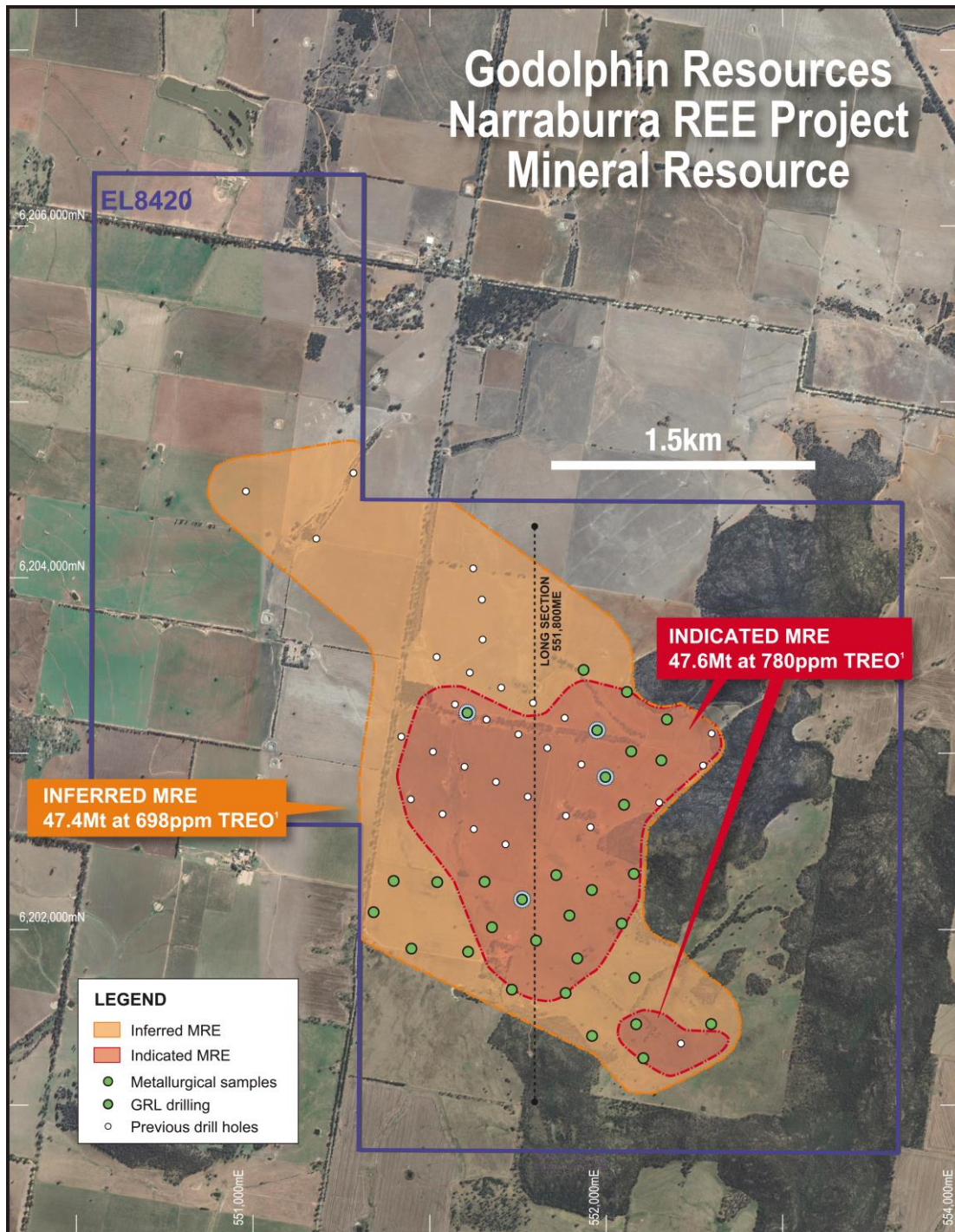


Figure 2: Location of 47.6Mt of Indicated and 47.4Mt of Inferred resource from a total of 94.9Mt TREO @ 739ppm TREO.



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Leach testing highlights exceptional Rare Earth Element (REE) recoveries:

The Company progressed metallurgical and mineralogy test work for the project, which utilised samples from Godolphin’s 31-hole diamond drill programs recently undertaken at Narraburra. Initial results confirmed exceptional recoveries of key magnet minerals and Heavy Rare Earth Elements (HRE), which further illustrated Narraburra’s low-cost development potential (refer ASX announcement (ASX: GRL): 5 April 2023).

1m samples from drilling were sent to the Australian Nuclear Science and Technology Organisation (“ANSTO”). ANSTO is a statutory body of the Australian Government focused on national infrastructure, research and providing bespoke services to the resources sector, facilitating the transition to renewable energy for testing.

During the quarter, first phase metallurgical test results were received from six samples, which confirm exceptional REE leachability. Preferential extraction of heavy REEs over light REEs was identified with outstanding recoveries of up to 94% Nd, 90% Pr, 80% Dy and 83% Tb in one sample. The samples tested cover a range of rock types from saprolite, saprock and weakly weathered bedrock granite.

Gold, Copper and Base Metals Projects:

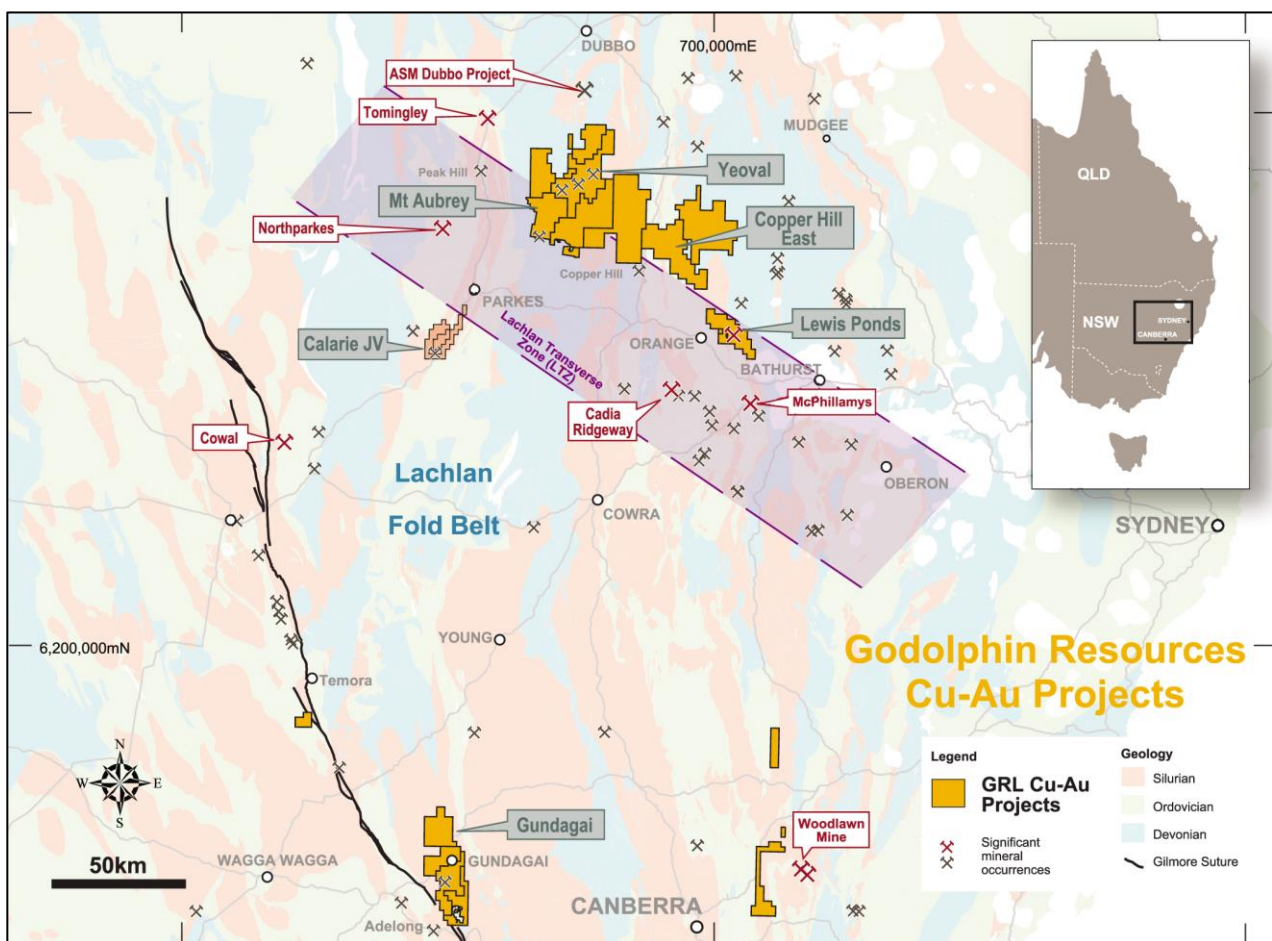


Figure 3: Location of Gold, Copper and Base Metals focussed tenements in NSW.



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Yeoval East Project:

Drill ready copper and gold targets identified from soil and rock chip sampling:

Godolphin reported results of recent soil samples and rock chip assays from the Yeoval East Prospect located on EL 8538. The hand-auger soil and rock chip sampling programs were undertaken to provide a better understanding of the prospect, as well explore its size potential for gold and copper mineralisation identified in the 1990s.

Yeoval East is situated approximately 2km north of the rural township of Yeoval on the Company's 100% owned EL8538 tenement. The prospect is 700m east of the existing JORC 2012 Yeoval Mineral Resource of 12.8 Mt at 0.38% copper, 0.14 g/t gold, 2.2 g/t silver & 120 ppm molybdenum³.

Results from the soil and rock chip program identified a >150ppm copper zone approximately 600m long and 200m wide with copper results up to 0.14% from the soil (sample GRS03543) and 0.28% copper in rock chips (sample GRR0376). These results in soil samples are highly anomalous and significant.

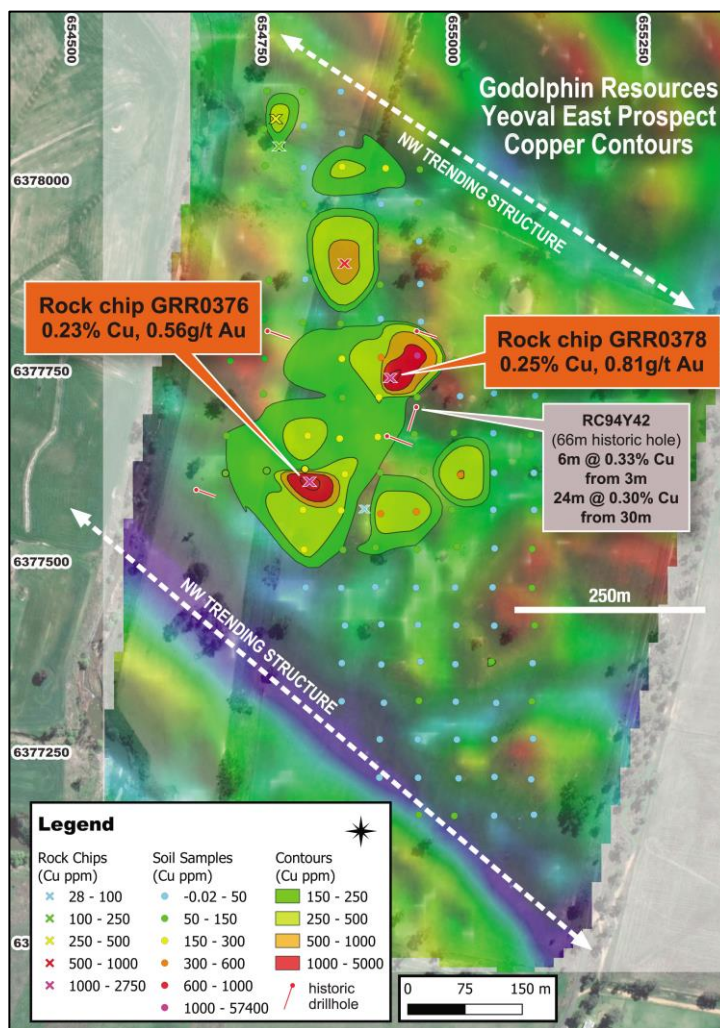


Figure 4. Contoured >150ppm copper soils & rock results over TMI ground magnetics imagery, Yeoval East Prospect.⁴

³ Refer to GRL Prospectus dated 29 October 2019

⁴ Refer to ASX announcement (ASX: GRL) dated 23 May 2023.



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Gold values across the prospect are also highly elevated with numerous small zones identified of more than 50ppb gold, which correlate well with the copper (Figure 4). The highest gold-in-soil value of 0.30g/t (Sample GRS03545) and 0.81g/t in rock chip (sample GRR0378) was also returned from the prospect.

These assay results, along with recently completed high-resolution ground magnetic data, will provide the basis for further exploration planning to progress across the prospect. In the coming months, the Company expects to commence drill testing the coincident geochemical, geophysical and geological targets identified at Yeoval East.

Corporate developments:

Appointment and resignation of Non-Executive Directors:

The Company advised that it had appointed Ms Amanda Sparks commencing 9 June 2023 as a Non-Executive Director. Concurrent with Ms Sparks' appointment, Mr Buchhorn transitioned into a technical advisory role to the Company's Board. Mr Buchhorn chose to make the transition due to time constraints associated with his other roles. He is an integral part of Godolphin's management team. The terms of Mr Buchhorn's advisory role were detailed in Godolphin's ASX announcement dated 9 June 2023.

Ms Sparks is a Chartered Accountant and a Fellow of the Financial Services Institute of Australasia. Her career background in the resources industry spans more than 30 years, including direct financial experience with mining companies at both the exploration stage and the production stage. During that time, Ms Sparks has gained extensive experience in company secretarial, financial management, corporate transactions, governance and compliance functions.

She currently holds Directorships and/or Company Secretary roles with several ASX listed companies, including Stavely Minerals Limited, E79 Gold Mines Limited and ADX Energy Limited. Ms Sparks has also previously held roles with Integra Mining Limited and Excelsior Gold Limited.



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Mining Exploration Tenements:

At 30 June 2023, the Company held the following exploration and mining licences.

Tenure (held at 30 June 2023 unless stated otherwise)	Location	Company's Beneficial Interest	Status
EL 5583 ⁵	Lewis Ponds	100%	Live
EL 8061	Gundagai South	100%	Live
EL 8420 ⁶	Narraburra	0%	Live
EL 8532	Mt Aubrey	100%	Live
EL 8538	Yeoval	100%	Live
EL 8555 ⁷	Calarie	49%	Live
EL 8556	Copper Hill East	100%	Live
EL 8580 ⁷	Calarie Central	49%	Live
EL 8586	Gundagai North	100%	Live
EL 8889	Gundagai	100%	Live
EL 8890	Cumnock	100%	Live
EL 8962	Obley North	100%	Live
EL 8963	Obley West	100%	Live
EL 8964	Yallundry	100%	Live
EL 8966	Mt Bulga	100%	Live
EL 8998	Gadara	100%	Live
EL 9243	Goodrich	100%	Live
EL 9258 ⁶	Temora	0%	Live
EL 9333	Kinross	100%	Live
EL 9337	Sebastopol	100%	Live
EL 9370	Gurrundah	100%	Live
EL 9371	Kingsburgh	100%	Live
ML 0739 ⁷	Calarie Lachlan Mine	49%	Live
EL 9506	Bingara	100%	Live
EPM28668	Eidsvold	100%	Live

⁵ There is a contingent liability in respect of a finder's fee payable to the Estate of David Timms on EL5583 sale transaction or production commencement (capped at \$2,000,000). Refer Note A17 of the Company's June 2022 Annual Report lodged 14 September 2022 (ASX: GRL) for further details.

⁶ EL8420 & EL9258 are subject to farm in agreements between the Company & EX9 Pty Ltd, as announced on 2 March 2022 (ASX: GRL "Godolphin Farm-in on Advanced Rare Earth Element Project"). The agreement gives GRL the opportunity to earn up to a 75% beneficial interest in the project. Under the agreement terms, Godolphin will progress to 51% beneficial ownership with \$1m exploration spend, and 75% beneficial ownership through an additional \$2m in expenditure. At 30 June 2023, the Company had no beneficial interest in tenements EL8420 & EL9258.

⁷ EL8555, EL8580 & ML0739 are subject to farm in agreements between the Company & Orange Minerals NL (ASX: OMX) as announced on 18 December 2020. As announced on 7 June 2023 (ASX: OMX) "Orange Minerals earn 51% in Calarie Project", at 30 June 2023 the Company's beneficial interest in tenements EL8555, EL8580 & ML0739 was 49% (31 March 2023 100%).



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Exploration Expenditure Summary:

During the quarter ended 30 June 2023, Godolphin's cash expenditure for exploration & evaluation totalled A\$260,000⁸ and consists of:

	Current Quarter A\$000	Year to Date (12 Months) A\$000
Drilling and sample storage	118	947
Direct Salaries	91	463
Tenement rental	40	95
Shed Lease	20	69
Laboratory costs	51	265
Consulting fees	30	79
Security deposits paid	-	59
Security deposits refunded	(90)	(110)
	260	1,867

There were no mining production and development activities during the quarter ended 30 June 2023.

Payments to related parties of the entity and their associates:

The amount included in section 6.1 of the Appendix 5B cash payments of A\$131,894, an aggregate amount of payments to related parties and their associates being remuneration for directors' fees (A\$20,289) and salaries (A\$111,605).

<<ENDS>>

This market announcement has been authorised for release to the market by the Board of Godolphin Resources Limited.

For further information regarding Godolphin, please visit <https://godolphinresources.com.au/>

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⁸ Refer Item 2.1(d) of Godolphin's Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 30 June 2023.



About Godolphin Resources

Godolphin Resources (ASX: GRL) is an ASX listed resources company, with 100% controlled Australian-based projects in the Lachlan Fold Belt (“LFB”) NSW, a world-class gold-copper province. A strategic focus on critical minerals and green metals through ongoing exploration and development in central west NSW. Currently the Company’s tenements cover 3,400km² of highly prospective ground focussed on the Lachlan Fold Belt, a highly regarded providence for the discovery of REE, copper and gold deposits. Additional prospectivity attributes of GRL tenure include the McPhillamys gold hosting Godolphin Fault and the Boda gold-copper hosting Molong Volcanic Belt.

Godolphin is exploring for REE, structurally hosted, epithermal gold and base-metal deposits and large, gold-copper Cadia style porphyry deposits and is re-focussing exploration efforts for unlocking the potential of its East Lachlan tenement holdings, including increasing the mineral resource of its advanced Lewis Ponds Project. Reinvigoration of exploration efforts across the tenement package is the key to discovery and represents a transformational stage for the Company and its shareholders.

COMPLIANCE STATEMENT The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ms Jeneta Owens, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Owens is the Managing Director and full-time employee of Godolphin Resources Limited and is an option holder of the Company. Ms Owens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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. Ms Owens consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Information in this announcement is extracted from reports lodged as market announcements referred to above and available on the Company’s website www.godolphinresources.com.au.

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original market announcements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Godolphin Resources Limited

ABN

13 633 779 950

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(132)	(549)
(e) administration and corporate costs	(224)	(738)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(351)	(1,256)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(65)
	(d) exploration & evaluation (if capitalised) ¹	(260)	(1,867)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(260)	(1,932)

¹ Consists of:

Drilling and sample storage	(118)	(947)
Direct Salaries	(91)	(463)
Tenement rental	(40)	(95)
Shed Lease	(20)	(69)
Laboratory costs	(51)	(265)
Consulting fees	(30)	(79)
Security deposits paid	-	(59)
Security deposits refunded	90	110
	(260)	(1,867)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,909
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(99)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	2,810
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,854	1,621
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(351)	(1,256)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(260)	(1,932)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	2,810
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,243	1,243

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	323	434
5.2 Call deposits	920	1,420
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,243	1,854

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	132 ²
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Not applicable		

² Consists of Directors' fees (\$20,289) and salaries (\$111,605).

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(351)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(260)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(611)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,243
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	1,243
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.03
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Not applicable	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Not applicable	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Not applicable	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2023

Authorised by the Board
(Name of body or officer authorising release – see note 4)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.