

20 December 2023

GODOLPHIN TO SELL LEWIS PONDS AND MT BULGA FOR \$11 MILLION

- **Term sheet signed with battery metals focused explorer, Minerals Pty Ltd for the sale of GRL's Lewis Ponds Project for \$11m cash**
- **Consideration for proposed sale comprises five instalment payments, commencing upon the execution of a binding share sale and purchase agreement**
- **Divestment marks an important step in GRL's active portfolio management strategy, which seeks to progress assets that provide the highest returns for shareholders**
- **All-cash consideration provides non-dilutive funds for ongoing development of key assets**
- **Total consideration highlights the significant market value of Godolphin's Lewis Ponds and Mt Bulga Projects**
- **Funds from the proposed sale will be used for the advancement of Narraburra Rare Earths Project and other advanced exploration opportunities**

Godolphin Resources Limited (ASX: GRL) ('**Godolphin**' or the '**Company**') is pleased to announce that it has executed a term sheet ('**Term Sheet**') for the sale of all of the shares in its wholly owned subsidiary, TriAusMin Pty Ltd, the holder of the Company's Lewis Ponds Project (EL5583), to Minerals Pty Ltd. The sale will also include the Mt Bulga Project (EL8966). Minerals Pty Ltd is an Australian owned company focused on battery metals project development.

The consideration for the sale is \$11,000,000 cash, payable in five (5) instalments, as set out further in this announcement, commencing with an initial upfront payment of \$2,950,000. The proceeds are intended to be used for advancement of the Company's other advanced exploration assets, including its flagship Narraburra Rare Earths Project ('**Narraburra**'), and working capital.

The Term Sheet is subject to various Conditions Precedent, including execution of a binding Share Sale and Purchase Agreement ('**SPA**') and ancillary security documentation to secure the deferred consideration, further details of which are contained in the Key Term Summary contained in this announcement.

Management commentary:

Managing Director of Godolphin Resources Ms Jeneta Owens said:

"This is a transformative transaction for Godolphin and we are very pleased to have entered into this term sheet for the proposed sale of Lewis Ponds and Mt Bulga for \$11 million cash. Importantly, the sale will provide Godolphin with non-dilutive funding to rapidly advance its flagship Narraburra Rare Earths Project, along with its other advanced stage exploration projects and then ongoing significant funding over subsequent years."

"The proposed sale highlights the inherent value of the Company's existing portfolio of projects. Based on the Company's group financial position at 30 June 2023, there is expected to be an approximate \$5.1 million increase in net assets as a result of the increase in cash."

"This transaction represents a major milestone for the Company and provides Godolphin with exceptional staged funding flexibility, which will defray future capital raisings and shareholder dilution. We look forward



to providing additional updates as due diligence is completed and the binding sale agreements are completed."

The buyer, Minerals Pty Ltd, is an Australian owned entity focused on battery metals development. Its Board and management include a number of experienced mining professionals with extensive experience in advanced exploration, project development, and funding.

Managing Director of Minerals Pty Ltd Mr Mark Moddejongen said:

"I've had an extensive mining career in Australia and internationally in multiple minerals. It is exciting to be leading an advanced exploration project that has a strong development focus. The Lewis Ponds location 15kms from Orange in NSW is ideally suited for infrastructure and manning. We have a very experienced board that will ensure high quality corporate governance. We will assemble the technical and operational teams to allow meticulous execution of both mining, governmental and stakeholder workflow and relationship building."

Key Terms of the Term Sheet:

The key terms of the Term Sheet are:

1. Consideration

A purchase price of \$11,000,000 which shall be paid in the following instalments:

- (a) \$50,000 non-refundable cash deposit (which has been paid);
- (b) \$2,950,000 cash, to be paid within ten (10) days of the Buyer executing a binding Share Sale and Purchase Agreement (SPA);
- (c) \$3,000,000 cash, to be paid within twelve (12) months of the date of the SPA;
- (d) \$3,000,000 cash, to be paid within twenty-four (24) months of the date of the SPA; and
- (e) \$2,000,000 cash, to be paid on the earlier of:
 - (i) the date that is five (5) years after the date of the SPA; and
 - (ii) the date that construction starts for a minerals processing plant pertaining to the Lewis Ponds Project or any earlier commercialisation of EL5583 or EL8966.

2. Conditions Precedent

Completion under the SPA will be subject to various Conditions Precedent usual for a transaction of this sort, including:

- (a) execution of definitive legal documentation with the terms of the Proposed Sale, including a Share Sale and Purchase Agreement (SPA) and an appropriate security package to secure payment of the deferred purchase price; and
- (b) the parties having obtained any necessary shareholder, statutory and regulatory approvals and/or waivers (if any) required to undertake the Proposed Sale, including, relevant NSW Ministerial approval for the transfer of effective control in TriAusMin and the transfer of tenements.

If definitive agreements have not been signed by 16 February 2024, and no new agreement is entered into, the Term Sheet may be terminated by either party.

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/>

or contact:

Jeneta Owens

Managing Director

+61 417 344 658

jowens@godolphinresources.com.au

Released through: Henry Jordan, Six Degrees Investor Relations, +61 (0) 431 271 538

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. Reinvigoration of exploration efforts across the tenement package is the key to discovery and represents a transformational stage for the Company and its shareholders.

Background on Godolphin’s project portfolio:

The Company currently has a large portfolio of the following projects:

- Joint Ventures:
 - o Narraburra Rare Earth Element Project (Farm-in)
 - o Calarie Joint Venture with Orange Minerals NL (ASX: OMX)
- 100% Godolphin:
 - o Yeoval Porphyry gold-copper-molybdenum-rhenium project
 - o Lewis Ponds
 - o Copper Hill East porphyry copper project
 - o Gundagai gold-copper project
 - o Mt Aubrey epithermal gold-silver project
 - o Other Rare Earth Projects
 - Bingara (New South Wales)
 - Eidsvold (Queensland)

The Company’s exploration tenements in NSW cover substantial prospective ground for critical minerals in the Lachlan Fold Belt.