

GODOLPHIN RESOURCES LIMITED

ABN 13 633 779 950

Financial report for the half year ended 31 December 2023

CORPORATE DIRECTORY

Directors

Jeremy Read	Non-Executive Chair
Janeta Owens	Managing Director
Christopher Hartley	Non-Executive Director
Amanda Sparks	Non-Executive Director

Company Secretary and Chief Financial Officer

Ian Morgan

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Securities Exchange

Australian Securities Exchange (ASX)

ASX Codes: GRL and GRLO

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DIRECTORS' REPORT

The Directors of Godolphin Resources Limited (**Company** or **Godolphin**) and its subsidiaries (together referred to as the **Group**) present their report together with the consolidated financial report for the half year ended 31 December 2023 and the auditor's review report thereon.

DIRECTORS

The directors of the Company have not changed at any time during or since the end of the half year:

Jeremy Read	Non-Executive Chair
Jeneta Owens	Managing Director
Christopher Hartley	Non-Executive Director
Amanda Sparks	Non-Executive Director

Godolphin is an Australian mineral exploration company which listed on the ASX on 18 December 2019 and has 100%-controlled Australian-based projects in the Lachlan Fold Belt (LFB) region of NSW, a world-class gold-copper and REE province. Godolphin has drill ready targets at all its projects.

There were no significant changes in the nature of the activities of the Group during the half year.

Godolphin recorded a net loss attributable to members for the half year ended 31 December 2023 of \$1,628,782 (2022: \$1,963,197).

Godolphin's strategy is to explore and develop its large tenement holding within the LFB, a favourable mining jurisdiction, creating value from its flagship Narraburra Rare Earth Project and a portfolio of copper-gold projects.

Throughout its extensive tenement package, the Company has four JORC-compliant mineral resources at the Narraburra Rare Earth Elements (REE) project, Mt Aubrey, Lewis Ponds and Yeoval deposits. The Company has also built a commanding footprint of additional ground surrounding the Narraburra REE project, giving the potential to expand the existing REE mineral resource at Narraburra and discover new REE mineral resources.

Godolphin is actively progressing opportunities to progress the low-cost mining potential and downstream processing potential at Narraburra.

REVIEW OF OPERATIONS

During the six months ended 31 December 2023, Godolphin undertook the following key activities across its portfolio of assets:

Corporate:

Successful placement and entitlement offer:

Godolphin completed a placement to raise \$715,000 (before costs) with the issue of approximately 17 million new fully paid ordinary shares ("Shares") an issue price of \$0.042 per Share. One free attaching quoted option, with an exercise price of \$0.06 and an expiry date of 31 December 2024, was issued for every two new shares subscribed.

DIRECTORS' REPORT

The Company also undertook a non-renounceable entitlement offer to eligible shareholders, on the same terms as the placement, to raise an additional \$1.422 million (for a total of 33.8 million new ordinary shares and 16.9 million options).

Proceeds from the fundraises will be used towards drilling, metallurgical and mineralogical studies and initiation of a scoping stage mining study at the highly prospective Narraburra Rare Earths Project.

Junior Minerals Exploration Incentive Credits Received:

The Company received \$599,489 in exploration tax credits for the 2023/2024 financial year as part of a successful application to the Australian Federal Government's Junior Minerals Exploration Incentive (JMEI) program. The JMEI is an initiative designed to encourage investment in eligible exploration companies carrying out greenfields mineral exploration in Australia.

The JMEI program allows these companies to relinquish a portion of their tax losses for potential distribution to eligible investors. The allocation of tax credits will provide additional financial support to Godolphin as it conducts exploration activities across its enviable landholding in the Lachlan Fold Belt in NSW.

Godolphin will distribute these JMEI credits to eligible investors who participate in any new share issues during the financial year ending 30 June 2024, including Australian shareholders that participated in the placement and entitlement offer.

Sale of Lewis Ponds and Mt Bulga for \$11 Million Cash:

Godolphin executed a term sheet for the sale of all 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 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 Godolphin's announcement dated 20 December 2023.

The consideration for the sale is \$11,000,000 cash, payable in five (5) instalments, as set out further in the Company's announcement dated 20 December 2023, commencing with an initial upfront payment of \$2,950,000. This will considerably strengthen Godolphin's balance sheet and provide working capital. The proceeds are intended to be used for advancement of the Company's advanced exploration assets, including its flagship Narraburra Rare Earths Project.

Rare Earth Projects:

Applications and grants for two new large exploration licences adjoining Narraburra REE Project:

Cambrai:

Godolphin lodged an application with the NSW Government's Department of Industry and Investment for ELA 6637 and was subsequently granted EL9601 named 'Cambrai'. The EL has never been explored for REE and has

DIRECTORS' REPORT

the potential to host potential north-west extensions to the Narraburra REE Project. The Company was granted the licence in October for a three-year period.

The licence area is over 40 units for a total of 112km² and hosts three different Devonian aged granites and Cenozoic sediments. The Devonian A-type Thanowring granite of the Narraburra suite and associated Cenozoic alluvium and colluvium sediments (silts and clays) are prospective for rare earth elements and have never been tested in the past for this style of mineralisation. The available radiometric data displays a uranium/thorium response similar to the nearby Narraburra granite that is thought to be the source of the REE mineralisation that is included in the Narraburra resource.

An initial in-depth data review and compilation exercise will be completed for EL 9601 in conjunction with exploration planning for testing the Devonian A-type Thanowring granite of the Narraburra suite in the south of the licence area. Initial exploration plans will include preliminary surface sampling and consideration of geophysical techniques that may assist in defining drill targets.

Trungley:

The Company applied for Exploration Licence Application (ELA) 6677 to the NSW Government's Department of Industry and Investment for a term of 5-years. ELA 6677 is named 'Trungley'. The ELA surrounds the Narraburra Project to the north, east and south, and has the potential to host northern extensions of the REE mineralisation defined on the Narraburra Project, as well as other base metals.

The licence area is over 39 units for a total of 110km² and is host to three different Devonian aged granites and Cenozoic sediments. The Devonian aged fractionated, peralkaline, A-type Narraburra Granite of the Narraburra Suite, which hosts the current Narraburra REE Project, covers the southern portion of ELA 6677 and has the potential to host clay style REE mineralisation similar to the Narraburra deposit.

Subsequent to the half-year end, Godolphin was successful in the ELA being granted as an exploration tenement (EL) 9628 for a three-year period.

Phase 2 metallurgical testing at Narraburra:

The Company commenced phase 2 of its metallurgical testing with the Australian Nuclear and Technology Organisation (ANSTO). The second phase of metallurgical testing follows an initial phase of work with ANSTO which delivered very promising results, including a highly encouraging 92% recovery of the key magnet REEs (Praseodymium (Pr), Neodymium (Nd), Terbium (Tb), Dysprosium (Dy), which is considered high for leaching of an Australian weathered clay deposit (refer ASX: GRL announcement: 5 April 2023). This further affirmed Narraburra's low-cost development potential and provides a strong foundation for the phase two metallurgical test work program.

Godolphin received initial results from this second phase of leach testing undertaken by ANSTO on 19 samples from the Company's Narraburra project. The entire program includes three individual one metre samples and 15 composite samples of up to six metres, which are more representative of potential mining intervals from the project.

Results from the testing were highly encouraging and highlighted recoveries of up to 71% of Total REEs (TREE+Y) which included recoveries up to 75% for key magnet REEs, including Pr (75%), Nd (82%), Tb (74%), and Dy (73%).

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Kinetics data showed that the leach processes were continuing at the end of the 24-hour test, with potential for further recovery at longer residence times.

The test work showed that the REEs are leachable under relatively mild conditions, especially in samples where the weathering processes appear to have concentrated them at levels above the average grade for the mineral resource. The conditions tested to date are not optimised for extraction of the REEs, with opportunities to improve leach rates and ultimate recovery.

The desorption testing of the samples indicated that there is only a small component of the REEs present that are amenable to recovery by this method. Recoveries were below 20%, with recovery of magnet REEs below 10%. Godolphin does not anticipate undertaking any further test work using the desorption method.

Subsequent to the half-year ended 31 December 2023 in February 2024, Godolphin announced (ASX: GRL 19 February 2024) the final batch of results from the second phase program of leach testing and size fraction analysis undertaken by ANSTO. The key results were:

- This second phase of metallurgical testing by ANSTO demonstrated excellent extraction rates of Rare Earth Elements (REE) from composite samples representative of mining intervals
- 80% - 95% extraction of key magnet REEs (Nd, Pr, Tb, Dy) with best results of Nd 96%, Pr 92%, Tb 91% and Dy 93% - confirming the Narraburra Project's development potential
- A significant increase of REE extraction at 50°C for all clay-rich samples compared to 30°C announced previously
- Size fraction results show the REEs, including the magnet REEs, are concentrated in the fine size fractions with the -38µm fraction showing an average increase that doubles the Total Rare Earth and Yttrium Oxide (TREYO) grade, suggesting that simple, low cost screening of the ore may significantly enhance the grade for processing of the REE mineralisation
- The Results will inform the 2024 works program, which may include additional drilling to further define the existing Mineral Resources Estimate and ongoing metallurgical tests (refer ASX:GRL announcement: 19 February 2024).

HyLogger spectral data indicates Narraburra REE are strongly correlated with highly weathered kaolinite clay zone:

Godolphin received HyLogger spectral results from 31 diamond cored drill holes (GNBDD001 through GNBDD031) drilled at the Company's Narraburra Rare Earth Element Project. HyLogger Spectroscopic logging of all diamond drill core was undertaken by the Geological Survey of NSW at its WB Clarke Geoscience Centre at Londonderry. The spectral reflectance and absorption characteristics of the drill core is measured using spectrometers with various ranges.

A full analysis of these results can be found in the Company's ASX announcement dated 27 November 2023. The results showed the extensive kaolin clay development over the entire weathered profile at Narraburra. Kaolin is an important mineral in clay hosted rare earth deposits around the world.

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QEMSCAN mineralogy results received from ANSTO for initial REE leachability testing:

Godolphin also received QEMSCAN mineralogy results from the six initial metallurgical samples sent to Australian Nuclear Science and Technology Organisation (ANSTO) in April 2023 for initial REE leachability testing.

Quantitative evaluation of minerals by scanning electron microscopy (QEMSCAN) is an integrated automated mineralogy and petrography system providing quantitative analysis of minerals. QEMSCAN employs a scanning electron microscope (SEM), four X-ray detectors and a software package to allow discrimination of minerals, without reliance on visual judgments. It can make 12,000 mineral analyses per minute and is used to assess the mineralogy of a sample which may assist in streamlining metallurgical processes.

The six samples from the first metallurgical study from early in 2023 from the Narraburra REE Project also underwent mineralogical characterisation of REE-containing minerals, which will increase the Company's understanding of how the REEs are hosted within the deposit and how they may be liberated. The model mineralogy results indicate that the most abundant REE-bearing minerals include lanthanite-Nd; and microcrystalline REEs. Additional details can be found in Godolphin's ASX announcement dated 27 November 2023.

Copper, Gold and Base Metals Projects:

Diamond drilling at Goodrich Copper-Gold prospect, Yeoval Project, NSW:

The Company successfully mobilised a diamond drill rig to its 100%-owned Goodrich-Yeoval Copper-Gold Project and completed a two-hole 550m diamond drill program which targeted areas to the south of historic workings, testing for extensions to the copper-gold mineralisation.

Drilling confirmed near surface, high-grade copper mineralisation at the Company's highly prospective Goodrich Project. Results from the two drill holes included (refer ASX: GRL announcement: 10 October 2023):

- Drill hole GGDD001 – Cu-Au veins including:
 - 91m @ 0.18% Cu and 0.15g/t Au from 152m to 243m, including:
 - 8m @ 1.02% Cu and 0.79g/t Au from 152m to 160m
 - 2.55m @ 1.47% Cu and 1.83g/t Au from 216m to 218.55m
- Drill hole GGDD002a - Cu-Au-Mo veins and broader disseminated Cu-Au in porphyritic granodiorite including:
 - 80m @ 0.10% Cu and 0.13g/t Au from 57.80m – 138m, including:
 - 6m @ 0.32% Cu and 0.36g/t Au from 131m to 137m
 - 1m @ 0.69% Cu and 1.04 g/t Au from 84m to 85m
 - 1.5m @ 2850ppm Mo from 144.50m to 146m

DIRECTORS' REPORT

A detailed review of all drillhole and assay information, in conjunction with geological modelling was completed to better understand the nature and extent of both the broader disseminated Cu mineralisation to the southeast, and the higher grade QMC Cu +/- Au-Ag-Mo mineralisation within the breccia zone.

2,400m RC drill program at Cyclops and Yeoval East Copper-Gold Prospects:

The Company successfully commenced drilling at the Company's highly prospective Cyclops and Yeoval East prospects. Both Cyclops and Yeoval East are located on tenement EL8538 and are part of the Company's 100% owned Yeoval Project in the Central West of NSW. The highly prospective area hosts various mineralisation styles including Porphyry Au-Cu associated with Devonian calc-alkaline intrusions at the Yeoval and Yeoval East prospects. The Cyclops prospect hosts extensive quartz magnetite chalcopyrite ('QMC') veins or pods associated with intersecting NW-NNW structures.

Drilling was completed in December (refer ASX:GRL announcement: 19 December 2023), which included 8 holes for a total of 1,624m. Highlights included:

- GYVRC005 18m @ 0.41% Cu from 32m, including:
 - 6m @ 1.21% Cu from 32-38m

Godolphin also completed mapping and rock chip sampling at the Vaughan's Ridge Prospect, which identified the potential for skarn style gold and base metal mineralisation. The Vaughan's Ridge Prospect is a new focus area and is considered highly prospective given the strike extent of skarn style alteration mineralogy identified by recent mapping, which includes the identification of significantly elevated gold values in historical rock chip samples.

Drilling results at both the Cyclops and Yeoval East Prospects are being fully evaluated, including synthesizing with existing data which will form the basis for any additional exploration activities.

Geochemical assays resulting from the recently collected rock chips from Vaughans Ridge Prospect are expected late Q1 2024. The results are to be appraised in conjunction with planning for further detailed mapping and sampling along the significant 6km strike length of geophysical magnetic high response, interpreted as the continuation of the skarn alteration system.

Other geophysical methods, such as an airborne electromagnetic (EM) survey, are being considered to refine drill targets for this area. Key areas for follow-up will be those in which historical elevated gold values have been identified, or similar results from the most recent campaign of rock chips.

SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the half year and the date of this Financial Report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

DIRECTORS' REPORT

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The lead auditor's independence declaration is set out on page 24 and forms part of the Directors' Report for the half year ended 31 December 2023.

COMPETENT PERSON'S STATEMENT

The Information in this report relating to Mineral Resources and Exploration Results is extracted from reports lodged as market announcements and available to view on the Company's web-site

<https://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 announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Signed in accordance with a resolution of the Board of directors:



Jeremy Read
Chair

Hobart, Tasmania
15 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
HALF YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Income			
Australian Government Grant Income	A.9	585,394	-
Other Income		50,000	-
		635,394	-
Expenses			
Exploration and evaluation expenses		(1,289,170)	(1,262,210)
Non-cash employee expense from granting of options	A.8	(226,824)	(1,669)
Employee, Administration, Corporate and Other Costs	A.5	(763,121)	(719,471)
		(2,279,115)	(1,983,350)
		(1,643,721)	(1,983,350)
Less: Financial income - interest		14,939	20,153
		(1,628,782)	(1,963,197)
Income tax benefit		-	-
		(1,628,782)	(1,963,197)
Other comprehensive income for the half year, net of income tax		-	-
		(1,628,782)	(1,963,197)
Total comprehensive income for the half year			
		Cents	Cents
Loss per share – basic	D.1	(1.0)	(1.8)
Loss per share – diluted	D.1	(1.0)	(1.8)

The notes on pages 15 to 22 are an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	31 December 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		1,194,623	1,242,212
Prepayments and other receivables	A.9	801,132	134,147
Financial asset	A.10	77,671	-
Right of use asset	A.12	64,300	-
Total current assets		2,137,726	1,376,359
Non-current assets			
Financial asset	A.10	308,800	429,263
Property, plant and equipment	A.11	446,840	437,065
Right of use asset	A.12	-	224,564
Exploration and evaluation cost asset	A.13	6,394,783	6,419,000
Total non-current assets		7,150,423	7,509,892
Total assets		9,288,149	8,886,251
Current liabilities			
Trade and other payables		145,418	179,146
Lease liability		73,447	67,973
Provisions - employee benefits		16,822	23,232
Total current liabilities		235,687	270,351
Non-current liabilities			
Lease liability		-	170,940
Provisions		118,992	118,992
Total non-current liabilities		118,992	289,932
Total liabilities		354,679	560,283
Net assets		8,933,470	8,325,968
Equity			
Issued capital	A.6	20,873,231	18,935,447
Reserves	A.8	311,793	14,488
Accumulated losses		(12,251,554)	(10,623,967)
Total Equity		8,933,470	8,325,968

The notes on pages 15 to 22 are an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
HALF YEAR ENDED 31 DECEMBER 2023

	Note	Ordinary fully paid shares \$	Share option reserve \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2023		18,935,447	14,488	(10,623,967)	8,325,968
Issue of ordinary fully paid shares	A.6	2,136,647	-	-	2,136,647
Capital raising costs		(127,187)	-	-	(127,187)
Equity settled share-based payments for the half year	A.8	(71,676)	71,676	-	-
	A.6	(198,863)	71,676	-	(127,187)
Total comprehensive income for the half year		-	226,824	(1,628,782)	(1,401,958)
Expiry of options not exercised	A.8	-	(1,195)	1,195	-
Balance at 31 December 2023		20,873,231	311,793	(12,251,554)	8,933,470
Balance at 1 July 2022		16,126,839	1,687,954	(8,974,129)	8,840,664
Issue of ordinary fully paid shares	A.6	2,908,849	-	-	2,908,849
Capital raising costs		(99,046)	-	-	(99,046)
Equity settled share-based payments for the half year	A.8	(1,194)	2,863	-	1,669
	A.6	(100,240)	2,863		(97,377)
Total comprehensive income for the half year		-	-	(1,963,197)	(1,963,197)
Expiry of options not exercised	A.8	-	(1,687,954)	1,687,954	-
Balance at 31 December 2022		18,935,448	2,863	(9,249,372)	9,688,939

The notes on pages 15 to 22 are an integral part of these interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
HALF YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
Cash flows used in operating activities			
Receipts from customers		-	-
Payments for exploration and evaluation costs		(1,281,414)	(1,382,567)
Payments to suppliers and employees		(826,191)	(665,732)
Interest received		15,528	16,351
Net cash flows used in operating activities		(2,092,077)	(2,031,948)
Cash flows used in investing activities			
Proceeds from refund of tenement bond		10,000	20,000
Proceeds from non-refundable deposit		50,000	-
Payments for property, plant and equipment	A.11	(24,972)	(10,921)
Net cash flows from investing activities		35,028	9,079
Cash flows from financing activities			
Proceeds from capital raisings	A.6	2,136,647	2,908,849
Payments for capital raising costs		(127,187)	(99,046)
Net cash flows from financing activities		2,009,460	2,809,803
Net (decrease) / increase in cash and cash equivalents		(47,589)	786,934
Cash and cash equivalents at 1 July		1,242,212	1,620,561
Cash and cash equivalents at 31 December		1,194,623	2,407,495

The notes on pages 15 to 22 are an integral part of these interim financial statements.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SECTION A KEY FINANCIAL INFORMATION AND PREPARATION BASIS

A.1 REPORTING ENTITY

Godolphin Resources Limited (**Company**) is a company domiciled in Australia. These consolidated interim financial statements (“interim financial statements”) as at and for the half year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the “Group”).

Godolphin is an Australian mineral exploration company which listed on the ASX on 18 December 2019 and has 100%-controlled Australian-based projects in the Lachlan Fold Belt (**LFB**) region of NSW, a world-class gold-copper and REE province. Godolphin has drill ready targets at all its projects.

There were no significant changes in the nature of the activities of the Group during the half year.

A.2 BASIS OF PREPARATION

These interim financial statements are general purpose financial statements prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, and with IAS 34 Interim Financial Reporting.

They do not include all of the information required for a full annual financial report. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2023.

These interim financial statements were approved by the Board of Directors on 15 March 2024. The Company is not of a kind referred to in ASIC Corporations Instrument 2016/191 dated 1 April 2016 and, in accordance with the Class Order, amounts in these interim financial statements and directors’ report have been rounded to the nearest dollar, unless otherwise stated.

A.3 USE OF JUDGEMENTS AND ESTIMATES

In preparing these interim financial statements, the Company’s management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from those estimates.

The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual consolidated annual financial report of the Group as at and for the year ended 30 June 2023.

A.4 GOING CONCERN

During the half year ended 31 December 2023, the Company incurred a loss of \$1,628,782 (2022: \$1,963,197) and net cash outflows from operating activities of \$2,092,077 (2022: \$2,031,948). At 31 December 2023, cash and cash equivalents were \$1,194,623 and there were net assets of \$8,933,470. The financial report has been prepared on the basis of a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the normal course of business.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Management believes that forecast cash levels are sufficient to fund ongoing administration and budgeted exploration. The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the ability of the Group to raise additional capital in the form of equity;
- the continued support of current shareholders; and
- the ability to successfully develop and extract value from its projects that are under development.

Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- To-date, the Group has funded its activities through issuance of equity securities;
- It is expected that the Group will be able to fund its future activities through further issuances of equity securities; and
- Directors believe there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities.

A.5 OTHER EXPENSES

	2023	2022
	\$	\$
Administration and Compliance Costs	244,257	192,929
Depreciation Expense	47,275	42,054
Directors' Fees	94,350	77,138
Employee and Consulting Expenses	194,671	266,836
Other Expenses	165,776	109,038
Unrealised Loss on Investment	16,792	31,476
	763,121	719,471

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A.6 ORDINARY FULLY PAID SHARES

	Number	\$
Balance at 30 June 2023	118,369,447	18,935,447
Placement share issue 13 July 2023	17,023,816	715,000
Entitlement Offer 22 August 2023	14,119,554	593,021
Entitlement Offer 1 September 2023	19,729,200	828,626
	50,872,570	2,136,647
Capital raising costs	-	(198,863)
Balance at 31 December 2023	169,242,017	20,873,231
Balance at 30 June 2022	84,147,701	16,126,839
Placement share issue 9 August 2022	18,915,586	1,607,825
Share purchase plan share issue 9 September 2022	15,306,160	1,301,024
	34,221,746	2,908,849
Capital Raising Costs	-	(100,240)
Balance at 30 June 2023	118,369,447	18,935,448

A.7 OPTIONS

There were 40,436,348 options outstanding at 31 December 2023 (June 2023: 2,000,000). 29,436,348 of the options outstanding at 31 December 2023 were listed on the ASX (ASX: GRLO) (June 2023: Nil).

38,436,348 options were issued during the half year ended 31 December 2023 (Year ended June 2023: 2,250,000). None of the outstanding options are subject to escrow. Each option provides the holder with the right to be issued one share by the Company, upon payment of the exercise price during the exercise period.

Half Year Ended 31 December 2023

Exercise Price per Share	Expiry Date	Opening Balance Number	Expired during the half year Number	Issued during the half year Number	Balance 31 December 2023 Number
25 cents	6 Dec 24	1,000,000	-	-	1,000,000
6 cents	31 Dec 24	-	-	29,436,348	29,436,348
35 cents	6 Dec 25	1,000,000	-	-	1,000,000
5.3 cents	30 Nov 26	-	-	9,000,000	9,000,000
		2,000,000	-	38,436,348	40,436,348

NOTES TO THE INTERIM FINANCIAL STATEMENTS

**Year Ended 30
June 2023**

Exercise Price per Share	Expiry Date	Balance 1	Expired during	Issued	Balance
		July 2022	the year	during the	30 June 2023
		Number	Number	Number	Number
25 cents	5 Dec 22	20,000,000	(20,000,000)	-	-
40 cents	24 Dec 22	3,000,000	(3,000,000)	-	-
30 cents	30 Jun 23	-	(250,000)	250,000	-
25 cents	6 Dec 24	-	-	1,000,000	1,000,000
35 cents	6 Dec 25	-	-	1,000,000	1,000,000
		23,000,000	(23,250,000)	2,250,000	2,000,000

A.8 SHARE OPTIONS RESERVE

	\$
2023	
Balance at 30 June 2023	14,488
Equity settled share-based costs for the half year	
Employee expense	226,824
Capital raising costs	71,676
	298,500
Expiry of options not exercised – transferred to accumulated losses	(1,195)
Balance at 31 December 2023	311,793
2022	
Balance at 30 June 2022	1,687,954
Equity settled share-based costs for the year	
Employee expense	13,293
Capital raising costs	1,195
	14,488
Expiry of options not exercised – transferred to accumulated losses	(1,687,954)
Balance at 30 June 2023	14,488

A.9 PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2023	30 June 2023
	\$	\$
Research and development tax incentive receivable	585,394	-
GST receivable	94,862	46,958
Prepayments	84,404	66,128
Security deposit over rental property	17,778	17,778
Other receivables	18,694	3,283
	801,132	134,147

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A.10 FINANCIAL ASSETS

	Current Investment \$	Non-Current Tenement Deposits \$	Total \$
2023			
Balance at 30 June 2023	94,463	334,800	429,263
Unrealised loss	(16,792)	-	(16,792)
Refund of tenement bonds	-	(26,000)	(26,000)
Balance 31 December 2023	77,671	308,800	386,471
2022			
Balance at 30 June 2022	188,914	365,300	554,214
Unrealised loss	(94,451)	-	(94,451)
Refund of tenement bonds	-	(30,500)	(30,500)
Balance 30 June 2023	94,463	334,800	429,263

Investment is the Company's investment in Orange Minerals NL (ASX: OMX) 2,099,047 ordinary fully paid shares (2022: 2,099,047).

A.11 PROPERTY, PLANT AND EQUIPMENT

	Land \$	Plant and Equipment \$	Total \$
Balance at 30 June 2023	367,000	70,065	437,065
Additions during the half year	-	24,972	24,972
Depreciation during the half year	-	(15,197)	(15,197)
Balance at 31 December 2023	367,000	79,840	446,840
Balance at 30 June 2022	367,000	31,832	398,832
Additions during the year	-	65,434	65,434
Depreciation during the year	-	(27,201)	(27,201)
Balance at 30 June 2023	367,000	70,065	437,065

NOTES TO THE INTERIM FINANCIAL STATEMENTS

A.12 RIGHT OF USE ASSET

	\$
Current	
Balance at 30 June 2023	224,564
Depreciation adjustment due to adjusting the present value of lease payments to be made over the lease term	2,994
Depreciation and amortisation during the half year	(35,072)
	(32,078)
Adjustment due to lease modification	(128,186)
Balance at 31 December 2023	64,300
Non-Current	
Balance at 30 June 2022	277,865
Adjustment due to adjusting the present value of lease payments to be made over the lease term	16,879
Depreciation and amortisation during the year	(70,180)
	(53,301)
Balance at 30 June 2023	224,564

A.13 EXPLORATION AND EVALUATION COST ASSET

	\$
Balance at 30 June 2023	6,419,000
Disposal expensed during the half year	(24,217)
Balance at 31 December 2023	6,394,783
Balance at 30 June 2022	6,419,000
Disposal expensed during the year	-
Balance at 30 June 2023	6,419,000

A.14 COMMITMENTS

Since the last annual reporting date (30 June 2023), there has not been a material change to commitments.

A.15 SEGMENT REPORTING

Business and geographical segments

The results and financial position of the Group's single operating segment are prepared on a basis consistent with Australian Accounting Standards and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. Entity-wide disclosures in relation to the Group's product and services and geographical areas are detailed below.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Products and services

Godolphin is an Australian mineral exploration company which listed on the ASX on 18 December 2019 and has 100%-controlled Australian-based projects in the Lachlan Fold Belt (LFB) region of NSW, a world-class gold-copper and REE province. Godolphin has drill ready targets at all its projects.

There were no significant changes in the nature of the activities of the Group during the half year.

Geographical Areas

The Group's exploration activities are located solely in Australia.

A.16 CONTINGENT LIABILITIES

Since the last annual reporting date (30 June 2023), there has not been a material change to contingent liabilities.

A.17 SUBSEQUENT EVENTS

There has not arisen in the interval between the end of the half year and the date of this Financial Report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

SECTION B RISK AND JUDGEMENT

B.1 FAIR VALUES

Certain of the Group's accounting policies and disclosures require the measurement of fair values for share-based payment arrangements, and financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

SECTION C KEY MANAGEMENT PERSONNEL AND RELATED PARTY DISCLOSURES

C.1 RELATED PARTY TRANSACTIONS

There have been no new related party transactions entered into since the last annual reporting date (30 June 2023).

SECTION D OTHER DISCLOSURES

D.1 EARNINGS PER SHARE

Basic earnings or loss per share (EPS) is calculated by dividing the net profit or loss attributable to members of the parent entity for the half year, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after-tax effect of financial costs associated with dilutive ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary and dilutive potential ordinary shares adjusted for any bonus issue.

The calculation of basic and diluted losses per share for the half year ended 31 December 2023 was based on the net loss attributable to ordinary shareholders of \$1,628,782 (2022: loss \$1,963,197) and a weighted average number of ordinary shares outstanding during the half year ended 31 December 2023 of 157,217,095 (2022: 108,351,182), calculated as follows:

	2023	2022
	\$	\$
Loss for the half year attributable to ordinary shareholders	1,628,782	1,963,197

D.2 WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

Undiluted Number of Shares	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	157,217,095	108,351,182

Depending on the Company's share price, up to 24,573,454 potential shares (2022: 20,055,707) were excluded from the calculation of diluted earnings per share because they are antidilutive for the half year ended 31 December 2023 as the Company is in a loss position.

D.3 MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in in the Group's consolidated financial statements as at and for the year ended 30 June 2023.

END OF NOTES

DIRECTORS' DECLARATION

In the opinion of the directors of Godolphin Resources Limited:

- (a) the consolidated financial statements and notes set out on pages 11 to 22 are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended 31 December 2023; and
 - ii. complying with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Jeremy Read
Chair

Hobart, Tasmania
15 March 2024

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Godolphin Resources Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Godolphin Resources Limited and the entities it controlled during the period.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 15 March 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF GODOLPHIN RESOURCES LIMITED**

Conclusion

We have reviewed the accompanying half year financial report of Godolphin Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the accompanying half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter – material uncertainty related to going concern

We draw attention to Note A.4 in the financial report which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the ordinary course of business. Our review conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year financial report* section of our report.

We are independent of the Group 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 annual financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

Directors' responsibilities for the half year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half year financial report in accordance with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the half year financial report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the half year financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance and its cash flows for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER
Director

Perth

Date: 15 March 2024