

31 October 2024

Quarterly Activities Report: Ongoing work at Narraburra Rare Earths project and new funding secured to unlock value across gold, copper and base metals assets

- **Airborne electromagnetic survey undertaken by NSW Government Resources and Geosciences department highlights potential for resource expansion at Narraburra REE project**
- **Initial slurry leach tests for process development testing at Narraburra completed – results indicate conditions for optimal extraction of rare earths ahead of Mixed Rare Earth Concentrate production**
- **Slurry leach results undertaken by ANSTO indicate Magnet Rare Earth Oxide overall recovery rates up to 81% with limited deleterious element (impurity) extraction and low (1.0 - 3.3kg/t) acid consumption (ASX: GRL 25 October 2024)**
- **Commitments from sophisticated, professional and institutional investors secured to raise \$1.2m – includes commitment from cornerstone shareholder, American Rare Earths Limited (ASX: ARR)**
- **Upon completion of the placement, American Rare Earths will hold 19.9% of GRL’s total issued capital**
- **Well-supported Share Purchase Plan raised an additional \$0.61m post quarter end – strong demand leaves GRL to capitalise on near term exploration activities**
- **Funds from placement and SPP to be deployed towards exploration activities at the Lewis Ponds Gold, Silver and Base Metals Project in the Lachlan Fold Belt – drilling to commence next month**
- **Lewis Ponds has an existing JORC 2012 Inferred Mineral Resource Estimate of 6.20 Mt at 2.0g/t gold, 80g/t silver, 2.7% zinc, 1.6% lead and 0.2% copper and sits within a larger mineral system extending 9km SE (ASX: GRL 2 February 2021)**

Godolphin Resources Limited (ASX: GRL) (“Godolphin” or the “Company”) is pleased to provide an update on activities undertaken during the three-month period ended 30 September 2024 (the “quarter”). During the quarter, the Company continued work at its Narraburra Rare Earths Project and delineated a strategy to unlock value at its 100%-owned Lewis Ponds copper, gold and base metals project. This led to Godolphin securing new funding to advance exploration activities at Lewis Ponds.

Management commentary

Managing Director Ms Jeneta Owens said: *“The September quarter marked a period of transition for Godolphin in regard to strategy and project focus. While work continued at the Narraburra Rare Earths project, the Board and management team’s near-term project development strategy has been informed by the direction of capital flows across global commodity markets, which has seen gold and copper prices climb to all-time highs in 2024. To this end, the Board has implemented a shift in focus to the 100%-owned Lewis Ponds project in the Lachlan Fold Belt, reiterating the value of the Company’s diversified project suite.”*

“While some development work at the Narraburra REE project will continue, including the production of a mixed rare earth concentrate to be marketed to off take partners, upcoming exploration initiatives will seek to unlock further value at Lewis Ponds, which contains a highly-prospective portfolio of gold, silver and base metal prospects.”



"As previously advised, Godolphin has fielded M&A interest at Lewis Ponds, which leave us confident that significant value can be unlocked here."

"The Placement and SPP undertaken during the quarter reiterate this and new funds will provide exceptional financial flexibility to undertake diamond drilling and metallurgical work, allowing us to increase confidence in the Lewis Ponds resource and gain a better understanding of processing options for the project's mineralisation style."

"Permits to commence drilling at Lewis Ponds have been lodged and we anticipate commencement of exploration next month. We look forwards to providing further updates over the coming weeks."

Narraburra Rare Earth Elements Project ('Narraburra'):

Geophysics indicate large clay basin hosting deposit, indicating resource expansion potential:

The Company acquired and interpreted an Airborne Electromagnetic survey ('AEM'), completed by NSW Resources and Geoscience Australia, which highlighted the potential to significantly expand the project's existing JORC (2012) Mineral Resource Estimate of 94.9 million tonnes at 739ppm TREO, made up of 47.6Mt @ 780ppm TREO Indicated and 47.4Mt @ 680ppm TREO Inferred, which includes a higher-grade component of 20 million tonnes at 1,079ppm TREO using a 600ppm cutoff (refer ASX announcements: 19 April 2023 and 21 April 2023).

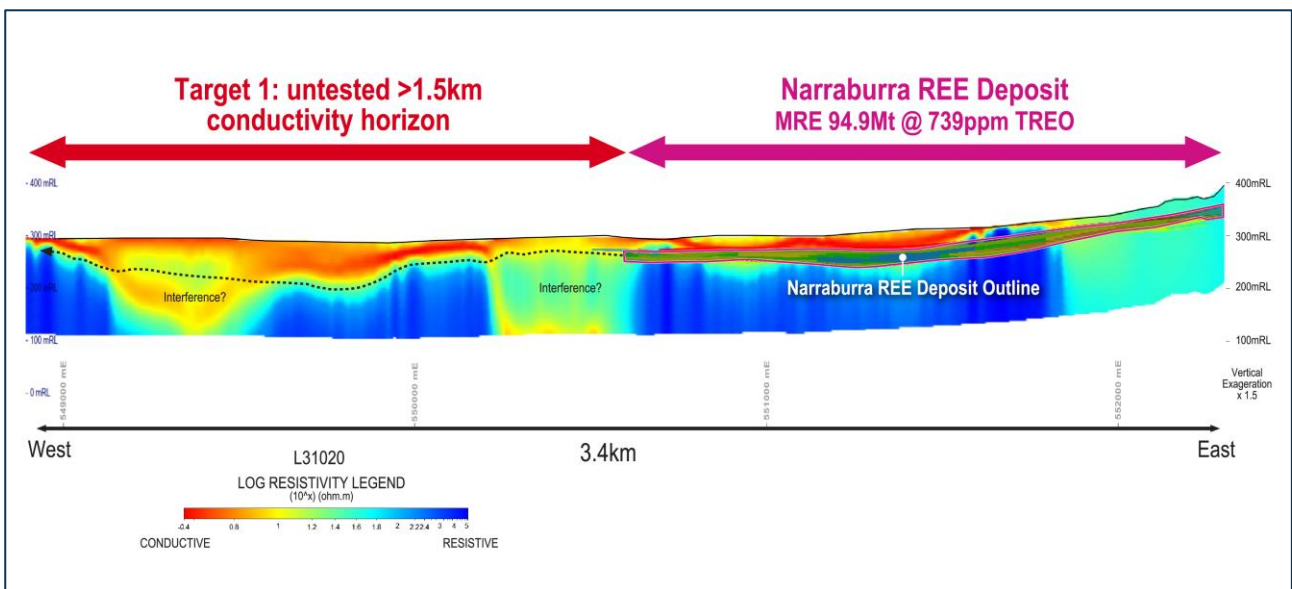


Figure 1: Cross Section of AEM flight line L31020 displayed as a Conductivity Depth Slice Image (CDI). The Narraburra REE Deposit mineralisation is hosted in kaolinite and smectite clays and these clays are mapped as a conductivity anomaly positioned near the transition from conductive overburden (warm colours) and resistive basement (cool blue colour). Target 1 represents a 1.5km continuation of this conductive horizon to the west of the existing Narraburra REE Deposit, a position which has not been drill tested.

Results highlighted that the clay hosting rare earth element (REE) mineralisation at Narraburra is associated with an extensive conductivity anomaly. The conductivity anomaly resulting from the clay basin hosting the REE mineralisation, close to the existing mineralisation, shows a prospective >1.5km zone to the west as a high priority target. The conductivity anomaly indicative of a clay basin also extends to the north and south of the deposit over a strike length of 25km and is up to 4km wide, coincident with A-Type Granites interpreted to be the source of the project's clay-hosted REE mineralisation.

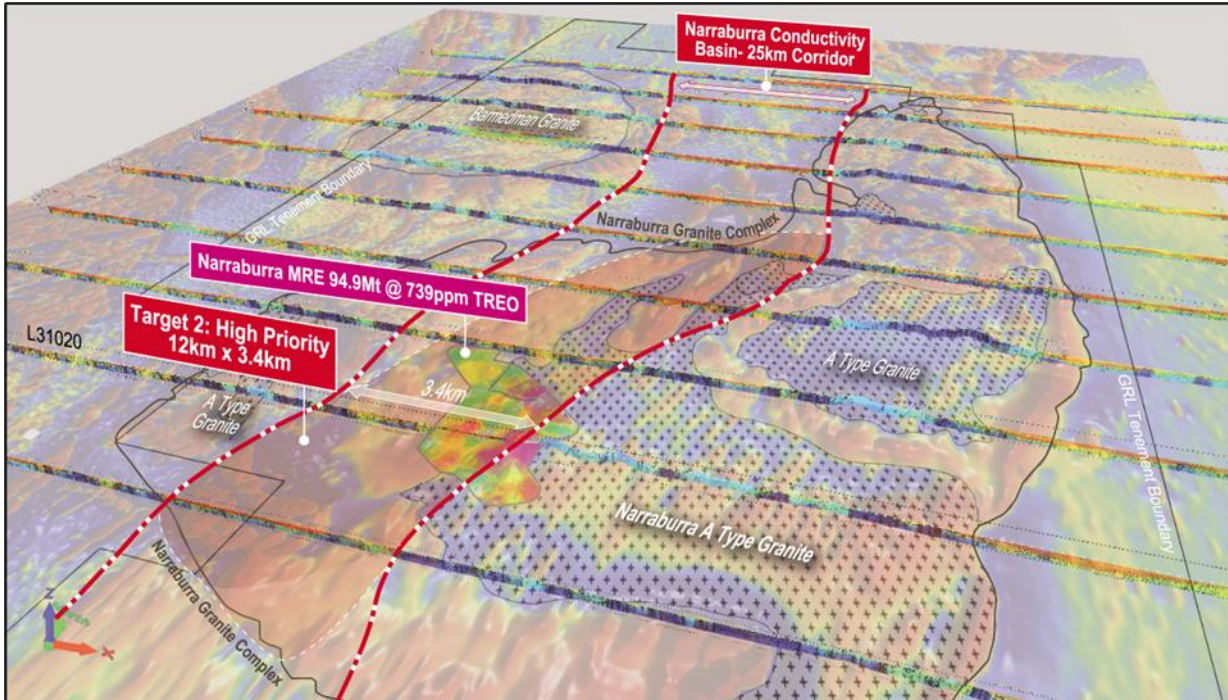


Figure 2: Perspective view looking north-west, showing the 25km long, north-south trending Narraburra Conductivity Basin. The CDIs are shown as the east-west trending pseudocolour lines, with flight line 31020 directly crossing the Narraburra Deposit. Target 2 is considered a high priority regional exploration target where conductive regolith overlaps with interpreted A-Type per-alkaline granite (source rock for REE mineralisation). Background Magnetic Image: RTP HP5000.

Delineation of this large and highly prospective zone featuring the same geological setting that caused the formation of the Narraburra Deposit is highly encouraging and will underpin future mineral resource extension and exploration activities at a later stage.

The AEM survey was conducted as part of the NSW Government's Critical Minerals and High-Tech Metals Strategy, which aims to support the growth of the critical minerals supply chains. It was completed during May to June 2023 and recently made available to the public.



Slurry leach results from process development testing identify conditions for optimal REE extraction:

During the period, the Company completed the slurry leach phase of Process Development Testing as part of a metallurgical testing program on samples from the project. This was part of the third stage of metallurgical testing, which yielded encouraging results prior to the production of a Mixed Rare Earth Carbonate (MREC) product.

The slurry leach phase indicated results of up to 81% Magnet Rare Earth Oxide (MREO) overall recovery with low deleterious element (impurity) extraction and low acid consumption of 1.0 - 3.3kg/t. This highlights that the optimal conditions to process Narraburra's mineralisation are a 40wt% solids/liquid slurry density at pH 2.2, with the addition of 0.3M – 0.5M ammonium sulphate reagent, at 50°C for 24 hours.

The program was undertaken by the Australian Nuclear Science and Technology Organisation (ANSTO). Work at ANSTO remains ongoing, aimed at the production of an MREC product to initiate engagement with potential off take partners.

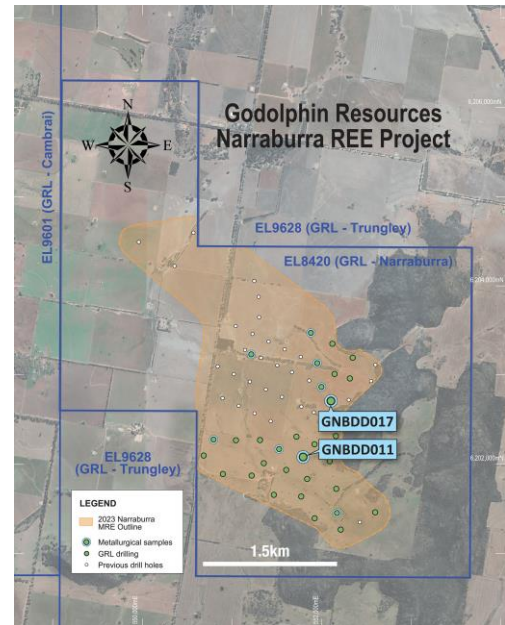


Figure 3: Location of the two drill holes from where the composite samples were collected for the slurry leach testing stage of the Phase Three metallurgical program

Corporate:

Firm commitments to raise \$1.2m to drive exploration activities at Lewis Ponds:

The Company received commitments from sophisticated, professional and institutional investors to raise \$1.2m through the issue of 96,000,000 fully paid ordinary shares (Shares), at an issue price of A\$0.0125 per Share (Placement). The Placement included a firm commitment from existing shareholder American Rare Earths Limited (ASX: ARR), totalling A\$510,000, which will be fully taken up in Tranche 2. Tranche 2 (42.8M Shares) will be issued upon the receipt of shareholder approval, which will be sought at an upcoming Annual General Meeting on 20 November 2024.

Upon completion of the Placement, American Rare Earths Limited is committed to holding up to a 19.9% stake in the Company. For full details of the Placement, refer the Company's ASX announcement dated 26 September 2024.

Funds raised from the initiative will be used to advance exploration at the Company's 100%-owned Lewis Ponds gold, silver and base metals project in the highly prospective Lachlan Fold Belt, NSW. Exploration initiatives will include diamond drilling and metallurgical testing to increase the confidence level in the upper portion of the existing resource and update the current JORC 2012 Inferred Resource of 6.20Mt at 2.0g/t gold, 80g/t silver, 2.7% zinc, 1.6% lead and 0.2% copper (refer ASX announcement: 2 February 2021). The Company anticipates that exploration at Lewis Ponds will commence in November 2024.

Launch of Share Purchase Plan (SPP):

Alongside the Placement, the Company offered eligible shareholders the opportunity to each apply for up to \$30,000 worth of new Shares, pursuant to an SPP at the same issue price as the Placement, to raise an additional \$0.3m through the issue of 24m new Shares.

Subsequent to the end of the period, the Company advised that it has received a total of 68 applications raising \$0.61m. In light of the overwhelming demand, the Company accepted all valid applications. A total of 49,120,000 new fully paid ordinary shares at the issue price were issued in relation to the SPP on 18 October 2024.

The Placement and SPP have left Godolphin with exceptional financial flexibility to undertake exploration initiatives at its Lewis Ponds project.

**Mining Exploration Tenements:**

At 30 September 2024, the Company held the following exploration and mining licences.

| Tenure | Location | Company's Beneficial Interest | | Status |
|---------|----------------------|-------------------------------|----------------------|--------|
| | | At 30 June 2024 | At 30 September 2024 | |
| EL 5583 | Lewis Ponds | 100% | 100% | Live |
| EL 8061 | Gundagai South | 100% | 100% | Live |
| EL 8420 | Narraburra | 100% | 100% | Live |
| EL 8532 | Mt Aubrey | 100% | 100% | Live |
| EL 8538 | Yeoval | 100% | 100% | Live |
| EL 8555 | Calarie | 49% | 49% | Live |
| EL 8556 | Copper Hill East | 100% | 100% | Live |
| EL 8580 | Calarie Central | 49% | 49% | Live |
| EL 8586 | Gundagai North | 100% | 100% | Live |
| EL 8889 | Gundagai | 100% | 100% | Live |
| EL 8890 | Cumnock | 100% | 100% | Live |
| EL 8901 | Caledonian | 100% | 100% | Live |
| EL 8962 | Obley North | 100% | 100% | Live |
| EL 8963 | Obley West | 100% | 100% | Live |
| EL 8964 | Yallundry | 100% | 100% | Live |
| EL 8966 | Mt Bulga | 100% | 100% | Live |
| EL 8998 | Gadara | 100% | 100% | Live |
| EL 9243 | Goodrich | 100% | 100% | Live |
| EL 9258 | Temora | 100% | 100% | Live |
| EL 9370 | Gurrundah | 100% | 100% | Live |
| ML 0739 | Calarie Lachlan Mine | 49% | 49% | Live |
| EL 9506 | Bingara | 100% | 100% | Live |
| EL 9601 | Cambrai | 100% | 100% | Live |
| EL9628 | Trungley | 100% | 100% | Live |
| EL 9633 | Breakfast Creek | 100% | 100% | Live |
| EL 9637 | Elsmore | 100% | 100% | Live |

There were no tenement acquisitions or disposals during the quarter.

**Exploration Expenditure Summary:**

During the quarter ended 30 September 2024, Godolphin's cash expenditure for exploration and evaluation totalled \$407,000 and consisted of drilling and sample storage (\$49,000), geophysics (\$9,000), salaries (\$132,000), metallurgy and laboratory costs (\$39,000), technical consulting fees (\$20,000), Narraburra scoping study (\$125,000), tenement rent (\$29,000) and other costs (\$4,000).

Full details of exploration activities are included in this report.

There were no mining production and development activities during the quarter ended 30 September 2024.

Payments to related parties of the entity and their associates:

The amount included in section 6.1 of the Appendix 5B cash payments of \$131,000, an aggregate amount of payments to related parties and their associates being remuneration for directors' fees and salaries, and travel expenditure incurred on the Company's behalf.

\$600,000 in exploration credits received as part of Australian Federal Government's Junior Minerals Exploration Incentive (JMEI):

Godolphin received \$600,000 in exploration tax credits for the 2024/2025 income year as part of a successful application to the Australian Federal Government's Junior Minerals Exploration Incentive program (www.ato.gov.au/JMEI). The JMEI is an initiative designed to encourage investment in eligible exploration companies undertaking greenfields mineral exploration in Australia. The JMEI program allows these companies to relinquish a portion of their tax losses for potential distribution as exploration credits to eligible investors. Shareholders in the recent Placement and SPP may be eligible to take advantage of these credits.

Appointment of Non-Executive Director:

Subsequent to the end of the period, the Company appointed Mr Chris Gibbs to the Board in a Non-Executive Director capacity, effective 14 October 2024. Mr Gibbs has nearly 30 years' experience in the resources sector across multiple jurisdictions including Australia, United States, Canada, South America, Africa and Europe. He is an innovative leader with a proven track record of implementing organisational change and delivering results.

Mr Gibbs is currently Chief Executive Officer of American Rare Earths Limited (ASX: ARR), Godolphin's largest shareholder. Prior to his role with ARR, Chris was Vice President and General Manager for Argonaut Gold's Canada business where he led the development of the Magino Gold Project. He has also held various leadership roles with Centerra Gold and Thompson Creek Metals, including VP of Operations, General Manager of the Langeloth Metallurgical Company in Pittsburgh and General Manager of the Endako Mine in British Columbia.

<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/> or contact:

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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 metals required for the energy transition through ongoing exploration and development in central west NSW. Currently the Company’s tenements cover 3,500km² of highly prospective ground focussed on the Lachlan Fold Belt, a highly regarded province for the discovery of REE, copper and gold deposits, with multiple long lived mining operations and advanced precious metals projects. Systematic exploration efforts across the tenement package is the key to discovery and represents a transformational stage for the Company and its shareholders.

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 announcement.

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 September 2024

| Consolidated statement of cash flows | Current quarter | Year to date (3 months) |
|---|-----------------|----------------------------|
| | \$A'000 | \$A'000 |
| 1. Cash flows from operating activities | - | - |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) ¹ | (407) | (407) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs – administration and corporate | (129) | (129) |
| (e) administration and corporate costs | (181) | (181) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 3 | 3 |
| 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 | (714) | (714) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |

¹ Item 1.2(a) Costs for the September 2024 quarter consist of drilling and sample storage (\$49,000), geophysics (\$9,000), salaries (\$132,000), metallurgy & laboratory costs (\$39,000), technical consulting fees (\$20,000), Narraburra scoping study (\$125,000), tenement rent (\$29,000) and other costs (\$4,000).

| Consolidated statement of cash flows | Current quarter | Year to date (3 months) |
|---|------------------------|------------------------------------|
| | \$A'000 | \$A'000 |
| (b) tenements | - | - |
| (c) property, plant and equipment | (3) | (3) |
| (d) exploration & evaluation (if capitalised) | - | - |
| (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): | - | - |
| – proceeds from non-refundable deposits | - | - |
| – net proceeds from refunds of tenement bonds | - | - |
| 2.6 Net cash from / (used in) investing activities | (3) | (3) |
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 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 | - | - |
| 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 | - | - |

| Consolidated statement of cash flows | | Current quarter | Year to date (3 months) |
|--------------------------------------|--|-----------------|----------------------------|
| | | \$A'000 | \$A'000 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,577 | 1,577 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (714) | (714) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (3) | (3) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 860 | 860 |

| 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 | 459 | 1,055 |
| 5.2 | Call deposits | 401 | 522 |
| 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) | 860 | 1,577 |

| 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 | 131 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.

² Consists of directors' fees (\$27,056), salaries and superannuation (\$103,137) and reimbursement of travel on behalf of the Company (\$1,264). Directors' fees payable at 30 September 2024 was \$5,000 (30 June 2024 \$Nil).

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

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <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> | | |
| 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 | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (714) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (714) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 860 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 860 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 1.20 |
| <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? | |
| <p>Answer: Yes, as announced on 26 September 2024, the Company had successful placement funding commitments totalling \$1,200,000 from sophisticated, professional and institutional investors for \$0.0125 each Share ("Placement").</p> <p>On 26 September 2024, the Company also announced a Share Purchase Plan ("SPP") offer for \$0.0.125 per Share to a maximum of \$30,000 per Company eligible shareholder.</p> <p>The SPP offer raised \$614,000 cash.</p> <p>At the date of this report, the Company's cash totalled \$1,910,000, resulting in 2.68 estimated quarters of funding available (\$1,910,000 divided by \$714,000).</p> <p>This estimate excludes the additional \$535,000 Placement (Tranche 2) funds expected to be raised after the Company's annual general meeting to be held on 20 November 2024.</p> | |

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

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: Yes, refer to Item 8.8.1.

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: Yes, refer to Item 8.8.1.

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.

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: 31 October 2024

Authorised by the Board

(Name of body or officer authorising release – see note 4)

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.