



GODOLPHIN RESOURCES Limited

*A Review of ASX Exploration Companies
Active in the Lachlan Fold Belt NSW
Prepared for Godolphin Resources Limited*

AUSTEX RESOURCE OPPORTUNITIES PTY LTD

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EXECUTIVE SUMMARY

This report provides a review of the ASX Listed Mineral Exploration Companies active in the Lachlan Fold Belt, (LFB) NSW. In particular it compares the Companies listed already with Godolphin Resources (ASX-GRL) which has lodged a Prospectus with ASIC ahead of an IPO. GRL is being “spun out” of Ardea Resources Limited (ASX-ARL), focused on the Kalgoorlie Nickel Cobalt Laterite Project WA

GRL has a number of Projects within Molong Volcanic Belt (MVB) which is orientated roughly North-South, in the vicinity of the Lachlan Transverse Zone (LTZ) a major structural zone, that cuts oblique across the MVB in a WNW-ESE direction. The LTZ hosts a number of larger Copper Gold Porphyry Deposits, including the Tier 1 Cadia Gold Mine located within the MVB.

GRL has 3,216 sq km of gold and base metal tenure in the Lachlan Fold Belt NSW. The Prospectus proposed to raise a minimum of \$4.5M at 20 cents per share and a maximum of \$8M. 30 Million shares have been issued to ASX-ARL shareholders by way of an in-species distribution, valuing the Projects vended into GRL (Enterprise Value) at \$6M at IPO.

AUSTEX has identified 19 ASX Listed Explorers active within the NSW section of the LFB of which of least 6 are focused within the MVB. In AUSTEX opinion GRL’s Projects rate well when compared to its peers, being the other Explorers active within the MVB.

Recently, Alkane Resources (ASX-ALK) who is a gold producer at Tomingley NSW has made a significant new gold copper porphyry discovery in the Northern Part of the MVB that has seen the neighboring exploration companies enjoy a significant increase in their respect Enterprise Value and has renewed investor and exploration company interest in the MVB.

THE LACHLAN FOLD BELT

The Lachlan Fold Belt (LFB) is a Middle Paleozoic complex orogenic geological province located principal in the Central West part of NSW, but extending south into Western Victoria and Western Tasmania. To the north it has been overlain by the younger sediments of the Great Artesian Basin, in Queensland.

The original sediments were turbidites sourced from older Gondwana continental rocks, to the west, interbedded with andesites and basalts (volcanic rocks). During the subsequent Orogenic Period, major subduction zones formed in the west part of the Province, with island arc systems developed to the east.

The Macquarie Arc is one of the better-known island arc systems in the LFB, and is a noted world-class porphyry copper-gold province. It can be divided into two major zones. The Western Junee Narromine Volcanic Belt, that hosts the Cowal, North Parkes and Tomingley Gold Mines, and the Eastern Molong - Kiandra Volcanic Belt, which hosts the Cadia Gold Copper Mine, the emergent McPhillamy Gold Mine and the recent Boda Discovery. The two zones are separated by a broad north south zone of less prospective quartz turbidites.

The Macquarie Arc is interpreted as a subduction complex that formed rapidly in the Late Ordovician, resulting in intrusions and associated mineralising episodes. A variety of gold deposit types occur, including shallow-level epithermal (“hotspring”), deeper hydrothermal (quartz ± carbonate veins), and porphyry (intrusion-related) deposits. Skarn mineralisation forms where magmatic-derived fluids react with carbonate host rocks. It is the potential for porphyry deposits that ranks the LFB as one of the highly prospective Precious & Base Metal Provinces in the globe. Porphyry deposits have the potential to provide the size of deposit needed to allow bulk mining and other cost saving metals recovery techniques to be used, that attracts the major mining companies to the geological province. Whilst the cost of outlining a

porphyry fully to an Ore Reserve is typically outside the scope of funding of an Exploration Company, they do attract Joint Venture funding from the Major Mining Companies, that will allow the Explorer to retain a minority interest in the Project without massive and ongoing shareholder dilution.

Other geological sub-provinces within the NSW section of the LFB include the Ordovician Cobar & Girilambone Basins near the western margin of the LFB. These Basins host a number of precious/base metal deposits, typically in multiple lenses in steeply plunging pipe like clusters, hosted by marine sediments. Younger Silurian to Early Devonian Basins hosting mining operations near the Eastern Margin of the LFB include the Captain Flat/Goulburn Synclinorial and the Hill End Trough.

The GRL Projects are located within the Eastern Zone of the Macquarie Arc, (Molong Volcanic Belt), either within or to the north of the late stage Lachlan Transverse Zone (LTZ). The LTZ is a major structural feature that cuts obliquely WNW to ESE, across both zones of the North South Macquarie Arc, and has a major influence in the siting of some major deposits including North Parkes, Cadia and McPhillamys

PRODUCING & EMERGING MINING OPERATIONS WITHIN THE LFB.

(a) By ASX Listed Companies

NCM- NEWCREST	The Contained Ore Reserves at the-Cadia Gold Copper Mine is 22Moz Au and 4.3Mt Cu. FY 19 Production 913Koz Au. 91Kt Cu @ an ASIC of US\$132/oz, with Cu credits
EVN - EVOLUTION	The Contained Ore Reserves at the Cowal Gold Mine NSW is 3.9Moz Au. FY 19 Production was 250Koz Au @ AISC a\$995/oz Au.
AMI - AURELIA	Operates 2 mines located on the Eastern Edge of the Cobar Subbasin. The Ore Reserves at Hera are 1.6Mt grading 1.9g/t Au 3%Pb 4.5% Zn 34g/t Ag. At Peak the Ore Reserves are 2.8Mt @ 2g/t Au, 15g/t Ag, 1.1% Cu 1.8%Pb, 1.9Zn.
AIS - AERIS	The Contained Ore Reserves at the Triton Copper Mine NW of Nyngan are 8.4Mt @ 1.5% Cu. The FY 19 Production was 26,9Kt Cu. C1 Cash Costs A\$2.06/lb Cu.
RRL - REGIS	The Ore Reserve at the proposed McPhillamy's Gold Project NSW is 2.03Moz Au. RRL is planning to produce of 192Koz Au pa.
ALK -ALKANE	The Ore Reserves at the Tomingley Gold Operations are 126Koz Au Contained. FY 20 Guidance is 30-35Koz Au at AISC of \$1300-1450/oz Au.
HRR – HERON	Commissioning the Woodlawn Zinc Copper Mine, on the eastern margins of the LFB. The underground Ore Reserves are 2.8Mt @ 5.5% Zn 1.6% Cu 1.9% Pb 0.45g/t Au 42g/t Ag. The additional Tailings Reserve of 9.5Mt @ 2.2% Zn 0.5% Cu 1.3% Pb 0.2g/t Au 31 g/t Ag. At nameplate the Company plans to process 1.5Mtpa ore to produce 40Ktpa Zn, 10ktpa Cu and 12ktpa Pb over a LOM of 9.3 years.

(b) Non-Listed Mining Operations

GLENCORE – CSA COBAR	The CSA Copper Mine at Cobar the mine produces 185Kt of Copper in concentrates.
CMOC - NORTH PARKES	The CMOC North Parkes Mine produces 60Ktpa Copper and 50Koz Au Gold. It was the first mine in Australia to use block caving. Ore Reserves 667Kt Cu Contained.

THE ALKANE MINING OPERATIONS & DISCOVERY

CODE	COMPANY	COMMODITY	SHARES	MARKET CAP \$M	CASH \$M	EV \$M	DEBT \$M
ALK	ALKANE RESOURC	GOLD Zr RRE	506.1	361.86	53.52	308.3	0.0

(a) Tomingley & Dubbo Projects -

ALK operate the Tomingley Gold Mining Operations NSW where FY 19 production was 49Koz Au from open pit and underground mining. However, the open pit is now exhausted and the Company is currently treating low grade stockpiles, whilst it develops an underground mining operation. With the underground due to start up soon, FY 20 Guidance is 30-35Koz Au at AISC of \$1300-1450/oz Au. The Total Resources are 6.8Mt @ 1.8g/t Au for 437Koz Au contained. The Ore Reserves are 2.2Mt @ 1.8g/t Au for 126Koz Au Contained. Over the past year ALK has been actively exploring a 10 km long gold bearing corridor south from Tomingley. 60,000m of drilling is focusing on 3 major Prospects (Roswell; San Antonio and El Paso). An initial Resource Estimate from these Prospects is expected Q4 19. The Company also holds the nearby Dubbo Rare Earth, Zirconium, Hafnium and Niobium, which ALK suggests has a 70+ open pit mine life. ALK plans to develop the Project in 2 stages, each of 0.5Mtpa throughput, to ultimately process 1Mtpa. Stage 1 capex is \$808M and Stage 2 is \$692M. (total capex \$1500M) ALK sees this Project as a potential demerger opportunity.

(b) The Boda Discovery at the Northern End of the MVB.

Of recent time there has been a renewed interest in the Molong Volcanic Belt (MVB) by Exploration Companies, which is the result of ASX-ALK announced a significant new discovery at the Boda Prospect, within its Northern Molong Copper Gold Porphyry Project. The Project covers 110 sq kms of the Northern Molong Volcanic Belt.

The Boda discovery drill hole intersected 502m @ 0.48g/t Au and 0.2% Cu, including 12m @ 3.28g/t Au 0.67% Cu from 419mdh. A further 5000m of step out drilling is scheduled to commence, to test the mineralisation both along strike and to depth. The Boda Prospect forms part of the Kaiser - Boda Intrusive complex which extends over a corridor 5kms of strike and 1km wide. The corridor geology is defined by monzonite intrusives, extensive alteration and widespread low-grade gold copper mineralization, within a host andesite-basalt volcanic and volcanoclastic sequences.

Previous drilling at the Kaiser Prospect within 2kms of Boda has returned 111m @ 0.61g/t Au 0.08% Cu, 60m @ 0.81g/t Au 0.91% Cu., 40m @ 1.3g/t Au 0.22% Cu and 32m @ 0.53g/t Au 0.27% Cu.

EXPLORERS FOCUSED IN THE LFB -

There are currently 19 ASX listed Explorers undertaking precious and/or base metals exploration within NSW sector of the LFB. AUSTEX has not included in that number, nor in discussions herein, those Companies focused on near surface laterite deposits prospective for nickel, cobalt and scandium mainly located in the Fifield and Nyngan Areas.

Whilst many of the precious & base metal Explorers have attractive drill intersections, only 5 have announced Resources Estimates to date.

AUSTEX has divided the 19 Explorers into 2 groups below. The first group of 12 are focused within the LFB, but outside the MVB. The second group of 6 (plus one possible) are focused on the MVB, an area where GRL has its main projects. As a result, it is the second group that are the immediate peers of GRL.

(a) Exploration Companies Active Outside the MVB

Of the 12 Companies listed below, only 3 have released Resource Estimates (shown in red). The shares on issue and Market Cap is at the end of Oct 19 and the Cash and Debt as at the end of Sept 19.

CODE	COMPANY	COMMODITY	SHARES	MARKET CAP \$M	CASH \$M	EV \$M	DEBT \$M
SVL	SILVER MINES	SILVER	849.2	80.68	11.07	70.6	1.0
PEX	PEEL MINING	ZINC Cu Pb Ag	251.6	72.96	6.43	66.5	0.0
DEV	DEVEX RESOURCE	GOLD COPPER	145.7	15.30	0.47	14.8	0.0
SKY	SKY METALS	TUNG TIN GOLD	191.2	15.10	3.08	12.0	0.0
ARD	ARGENT MINERAL	GOLD Ag	593.0	10.08	1.64	8.4	0.0
ALY	ALCHEMY RESOUR	GOLD	550.5	7.16	1.53	5.6	0.0
RIM	RIMFIRE PACIFIC	GOLD	1509.4	4.53	0.50	4.0	0.0
TMZ	THOMSON RESO	TIN GOLD	112.8	3.61	0.10	3.5	0.0
PUA	PURE ALUMINA	GOLD	221.8	4.44	1.12	3.3	0.0
RBX	RESOURCE BASE	GOLD	27.5	0.93	0.14	2.9	2.1
AYM	AUSTRALIA UNIT	GOLD	1842.6	1.84	0.04	1.8	0.0
AOA	AUSMON RESO	COBALT	528.5	1.06	0.52	0.5	0.0

The Resource Estimates of this group are as follows-

CODE	PROJECT	CONTAINED RESOURCE
SVL	BOWDENS	163 Moz Ag 486Kt Zn 333Kt Pb
RIM	SORPRESA	67Koz Au 0.9Moz Ag
PUA	HILL END/HARGREAVES	571Koz Au

A summary of the recent activities of the Companies listed above follows –

SILVER MINES (SVL) - Holds 2007 sq km within the NE corner of Lachlan Fold Belt which includes the Bowden's Silver Project. The Total Resource at Bowden's is 128Mt at 40g/t Ag 0.38% Zn 0.26%Pb for 163 Moz Ag contained. SVL advises that Bowdens is one of the world's largest undeveloped silver deposits. The Company has completed a Feasibility Study into processing 2Mtpa of ore over a LOM of 15.5 years to produce a total over the LOM of 53Moz Ag 108 Kt Zn and 79Kt Pb. The Initial Capex is estimated at A\$246M and the ASIC an estimated US\$12.94/oz Ag. An EIS is to be submitted shortly. The Company plans of 8000m of drilling is planned in Q4 19, to test a mineralized skarn belt within the Project. Targets include the Barabolar Cu Mo Project, 10kms NW of Bowdens, a possibly porphyry target, Cringle Au Ag Epithermal Prospect and the Kia Ora West Skarn Cu Pb Zn Prospect.

PEEL MINING (PEX) - Focused in the Cobar Basin where it holds the emergent Wagga Tank - Southern Nights Zinc Project which extends over 2kms of strike. The Total Resource Estimate is 3.8Mt @ 5.5%Zn 2.1%Pb 75g/t Ag 0.3g/t Au. The deposit is considered open along strike and to depth. The Project occurs within the ring structure where drilling at the Fenceline Prospect has returned 6m @ 5.4% Zn 3.9% Pb 44g/t Ag 0.83g/t Au from 84mdh. PEX also has a 50% interest in the Mallee Bull Cu where the partners are undertaking a PFS on a small scale 'dig and truck' of ore to the Endeavour Mill Cobar for processing. The Total Resource Estimate is 3.9mt @ 2.3% Cu 32g/t Ag. PEX also holds the Wirlong Prospect where JOGMEC

is earning a 50% interest over 2500 sq km of tenure by spending \$7M. Drill intersections include 9m @ 8% Cu 7g/t Ag from 616mdh.

DEVEX (DEV) – The Company holds the Bogong and Junee Porphyry Cu Au Projects located along the Gilmore Suture to the N and S of Gundagai, within the Lachlan Fold Belt NSW. Past drilling at Bogong has returned 54.9m @ 1.1% Cu from 6mdh. A broad system of copper gold mineralization identified with rock chips to 10% Cu and 0.47g/t Au, associated with porphyry. The Junee Project remains underexplored with no exploration drilling for +20 years. +20kms of prospective strike. Geophysical modelling suggests that there is potential for additional buried porphyry style mineralisation, and 3 targets have been outlined for testing. The Company also holds the 5000 sq km West Arnhem Uranium Project NT.

SKY METALS (SKY) - Holds the brownfields Tallebung Tin Silver Tungsten Project, NW of Condobolin, at the northern end of the historically active Wagga Tin Mining Belt, within the LFB. The targets are shallow higher-grade vein swarms, discrete lode and deeper porphyry stockwork-style mineralisation. Recent drilling has returned 4m @ 2.58%Sn from 54mdh. The Company also holds the brownfields Doradilla Tin Project is south of Bourke, where historically tin, copper, indium, zinc and silver mineralisation within skarns extending over 14kms and widths of 20-100m wide were known. Historical shallow drill intersections include 10m @ 1.09% Sn and 38m @ 0.53% Sn. SKY has also entered into a JV Agreement with ASX-HRR to Earn In up to an 80% interest in the Cullarin and Kangiara Project Located in the Yass District NSW. In addition, the Company has lodged Exploration Licence Applications over the Duoro Project also near Yass. All 3 above projects are located near Yass within the Lachlan Belt NSW.

ARGENT MINERALS (ARD) Holds a 79% interest in the West Wyalong Cu-Au-Mo Porphyry Project in central NSW. Large gravity survey (2,200 new stations on a 100m spaced grid over 9km x 2.5km area) has been completed over the Project combined with modelling of geophysical, geochemical and mineralogical analysis has generated 6 new targets which will be prioritized before next drill program. ARD suggests evidence of arc-related mineral system. Elevated Cu Au Mo soils extend over a prospective area of 4 sq km. The Company also holds the Brownfields Pine Ridge Gold Mine, where drilling has returned 19m @ 3.2g/t Au from 98mdh. The Company also holds the Kempfield Gold Copper Project, where past drilling includes 10.2m @ 1.5g/t Au from 28mdh.

HELIX (HLX) - Hold 1500 sq km of tenure in Central NSW, prospective for Copper/ Gold VMS mineralisation. The Company's main focus is on the Collierina Cu VMS Project situated within a 150km Cu trend SW of Nyngan NSW. Copper mineralization extends over 250-300m of strike, and is hosted in metasediments and mafic volcanics. Drill intersections include 14m @ 4% Cu. The Company is targeting VMS style base metal system, including the Mundarlo Prospect coinciding with an EM conductor. HLX also holds the Cobar Gold Project where drilling at the Battery Tank Prospect, includes 43m @ 2.3g/t Au from surface. HLX also holds a 40% interest in Cu porphyry and manto copper targets in Chile which are under JV with JOGMEC.

ALCHEMY (ALY) - ALY holds the Overflow Project, located within the Cobar Basin, where previous intersects include 4.6m @ 8.5g/t Au 79g/t Ag 13.5% Zn and 7.1%Pb. The mineralisation is open down plunge. However, the Company main focus is on the 782 sq km Karonie Au Project WA covering 38km of strike of the Claypan Shear Zone south of Lake Roe WA

RIMFIRE (RIM) - RIM hold the 681 sq km Sorpresa Gold Silver Project at Fifield in Central NSW. The Contained Resource is 125Koz Au @ 0.61g/t Au and 7.9Moz Ag @ 38g/t Ag. e A 1km diameter magnetic ring feature occurs, coincident with a gravity low. RIM is of the view that the deposit is an Intrusive Related Gold System. RIM is keen to monetarize the deposit as a 10Koz Au pa producer by 2022. RIM is of

the view that there is potential for Cu/Au porphyry within interpreted Ordovician Volcanics that occur under cover to the both to the north and south of Sorpresa. The Company is undertaking field mapping ahead of AC drilling. An area of old workings extends over +350kms of strike 2kms N of Sorpresa.

THOMPSON (TMZ) - The Company is acquiring the Yalgogrin Gold Project AW West Wyalong NSW. Rock chips have returned up to 128g/t Au Historic intercepts include 6m @ 1.6g/t Au from 22mdh.

PURA ALUMINA (PUA) – After an adventure into High Purity Alumina, PUA (the former Hill End Mining) plans to again focus on its Hill End Gold Project where prior exploration outlined 3 zones of mineralisation (Hargreaves, Hill End & Red Hill). The Company is reviewing the previous data in order to produce a Resource Estimate.

RESOURCE BASE (RBX) – The Company continues to advance opportunities to reactive the Broula King Processing Plant, near Grenfell. The Plant offers a toll treatment option for GRL, should it be needed.

AUSTRALIAN UNITED MINING – (AYM) – Holds the Sofala Gold Project 30kms N of Bathurst on the eastern side of the Hill End Trough. No field work has been carried out for some time and the Company's shares are suspended.

AUSMON RESOURCES (AOA) – The Company holds the Pooraka Gold Project in the Cobar Basin. However, it is some time since any exploration was carried out. Its focus is more in the Broken Hill NSW Area.

(b) Explorers Focused within the Molong Volcanic Belt –

CODE	COMPANY	COMMODITY	SHARES	MARKET CAP \$M	CASH \$M	EV \$M	DEBT \$M
AQX	ALICE QUEEN	GOLD COPPER	777.0	29.53	1.86	27.7	0.0
MAG	MAGMATIC	COPPER GOLD	128.6	19.29	0.02	19.7	0.4
TLM	TALISMAN	COPPER Ni	176.9	18.57	7.75	10.8	0.0
IPT	IMPACT	GOLD Ag Cu	1321.7	11.90	1.52	10.4	0.0
KTA	KRAKATOA	GOLD RRE	153.5	6.60	0.42	6.2	0.0
GCR	GOLDEN CROSS	COPPER Au	101.6	1.93	0.08	4.9	3.0

The following two Companies have announced Resource Estimates -

CODE	PROJECT	CONTAINED RESOURCES
IPT	COMMONWEALTH	88Koz Au 3.3 Moz Ag
GCR	GOLDEN CROSS	157Kt Cu 460Koz Au.

ALICE QUEEN (AQX). AQX holds the Mendooran and Yarundury Cu Au Porphyry Projects situated within the Molong Volcanic Belt NSW, immediate north and along strike from of ASX-ALK's Boda-Kaiser Project. AQX advises that the Boda Discovery Hole is only 700m from the boundary of its tenements, and based on magnetic data the same rock types extend onto its Yarundury Project. The Company has identified 15 drill targets for testing. AQX also holds the Horn Island Gold Project (JV with ASX-SBM) Queensland, with Contained Inferred Resource is 7.9Mt @ 1.9g/t Au for 492Koz Au

MAGMATIC (MAG) - Holds 1049 sq km, within the East Lachlan Belt NSW, including tenure along Molong Volcanic Belt, adjacent to a discovery by ASX-ALK. The projects include Wellington North Gold Project, located at the northern end of the Molong Belt, and surrounding a recent discovery by ASX-ALK at the Boda Au Cu Project. Two priority Au Cu porphyry targets have been identified, with drilling at Lady Ilse returning 78m @ 0.22 g/t Au from 27mdh and Rose Hill Prospect 71m @ 0.3g/t Au 0.43% Cu. Both

Prospects are 6-8km from Boda. MAG is of the view that Lady Isle and Boda have similarities, with both having a wide zone of anomalous gold. MAG also points out that often the LFB porphyry deposits occur in clustered (Cadia up to 9 clusters and North Parkes 5). Elsewhere in the LFB, MAG holds the Myall Gold Project, where porphyry style Cu Au mineralization has been identified. Past drill intersections include 70m @ 0.54% Cu 0.15g/t Au from 141mdh at the Kingswood Prospect.

TALISMAN (TLM) - Holds tenure extending along a known 250km long mineralized corridor known as the Lachlan Copper Gold Project NSW. TLM have divided the Project into 3 parts (Southern, Central and Northern Region). The Southern Region includes the Blind Calf Prospect where drilling has returned 13m @ 5.71% Cu and 21m @ 2.67% Cu from 127mdh. A recent drill program of 19 holes for 3749m has returned intersections of 5m @ 1.14% Cu from 129mdh and 10m @ 4.3% Cu from 176mdh. In addition, TLM undertook first pass drilling of 5 downhole electromagnetic (DHEM) conductive geophysical anomalies. just been completed. Assays pending. Other prospects identified in the Southern Region for follow up include the Melrose; Harding; Brooklyn; Cumbine. The Company has a farm in on the brownfields Lucknow Gold Project, located within the Macquarie Arc to the SE of Orange. In excess of 400koz Au are reported to have been extracted at grades between 100-200g/t Au. The gold mineralisation is thought associated with the NNW trending Lucknow Fault that dips 60-70 degrees to the NE and separates hanging wall serpentinites and footwall volcanics. where soil sampling is planned. The Company has recently sold its Sinclair Nickel Project WA, for \$10M cash.

IMPACT (IPT) –Holds the Commonwealth Cu Au Project situated on the Molong Volcanic Belt to the south of the Boda Discovery. Drilling in the Main Shaft Area has returned 8.1m @ 6g/t Au, 193g/t Ag, 5.9% Zn, 2.3%Pb and 0.16% Cu from 71mdh. Drilling at Commonwealth South returned 8m @ 5.1g/t Au 20 g/t Ag 1.33% Zn 0.5% Pb from 94mdh. Drilling at Silica Hill returned 48.6m @ 137g/t Ag 0.5g/t Au from 122mdh. Whilst the near surface mineralisation is epithermal at the Commonwealth Deposit and VMS at the nearby Silica Hill Deposit, IPT is of the view that a buried porphyry may occur at depth? The Company has reported near surface Inferred Resource Estimate of 88.8Koz Au, 3.3Moz Ag with significant Zn Pb Credits from the 3 areas. The Resource is open at depth and along trend. Whilst IPT's current focus is on the Blackridge Gold Project Clermont Qld, the Company is to undertake a review of the Commonwealth Project and hence it may recommence to focus there, for as to this time the IPT's shares have not enjoyed the upside of other Boda neighbors. Alternatively, the Project may be an Opportunity for others.

KRAKATOA RESOURCES (KTA) - Has completed legal and technical due diligence on the 80 sq km Belgravia Copper Gold Project, located 20kms NW of Orange, within the Copper Hill Igneous Complex, with 20kms strike of the Molong Volcanic Belt. The due diligence has confirmed to KTA the geological structural and geophysical prospectively of the Project. A number of targets have been outlined for drill testing.

GOLDEN CROSS (GCR) - Holds the Copper Hill Project within the Macquarie Arc, Molong Volcanic Belt, 50kms N of Cadia. The Resource Estimate is 87Mt @ 0.36% Cu 0.32g/t Au, for 160Kt Cu 480Koz Au Contained. A Scoping Study has been completed. The deposit has not been drilled below 350m. The deposit extends along 5km of strike which offers opportunity for Resource expansion. The Company's shares are currently suspended, and hence it has not enjoyed the Market upside of peers. Hence AUSTEX sees the Project as an Opportunity for an incoming party, subject to course to technical and corporate due diligence.

(c) ASX -ERM - EMMERSON RESOURCES

CODE	COMPANY	COMMODITY	SHARES	MARKET CAP \$M	CASH \$M	EV \$M	DEBT \$M
ERM	EMMERSON	GOLD Cu	424.9	46.73	2.48	44.3	0.0

EMMERSON (ERM)- ERM, whilst focused elsewhere, does hold the Kadungle Au Cu Project within the Lachlan Transfer Zone. Intersections include 12m @ 7.7g/t Au and 6m @ 1.1% Cu. At the Kola Project where rock chips to 19.6% Cu 0.36g/t Au plus numerous historic copper workings occur. In addition, ERM has a JV over 5 early stage projects within the Macquarie Arc where 2D and 3D predictive modelling has generated targets. Should this work be successful, then ERM could become more focused on the MVB in the future. The Company's prime focus at this time is on gold exploration within the Tennant Creek Goldfield NT. Elsewhere in the LFB, ERM is currently drilling at the Whatling Hill Cu Au Project, located in the Fifield Area NSW to test a range of combined geophysical and geological targets. Whilst ERM is not expecting economic grades first up, two of the holes have provided visual indications that a copper gold system is proximal and likely at depth. Previous drilling intersected 14m of chalcopyrite - pyrite - quartz veins and stockworks from 194mdh, which returned 8m @ 0.4% Cu. ERM considers the Project a potential porphyry. Anomalous soil geochemical and geophysical targets extend over a 5 sq km, with recent drilling only testing less than 5% of the prospective area.

THE GOLDOPHIN RESOURCES PROJECTS -

Goldolphin Resources (GRL) holds 3216 sq km of tenure along the Lachlan Fold Belt, within a number of Projects, with the priority projects located within the Molong Volcanic Belt. The Company's Total Resource within three of the Projects is 34Mt @ 0.4g/t Au 20.5g/t Ag, 0.9%Zn, 0.4%Pb and 0.2% Cu for 425Koz Au, 21.8Moz Ag, 306Kt Zn, 136Kt Pb, 68Kt Cu.

MT AUBREY – The flagship project is the 194 sq km brownfields Mount Aubrey Epithermal Gold Project located at the N margin of the prospective Lachlan Transverse Zone (LTZ), 40kms NE of Parkes. The deposit was open pit mined by BHP Gold, who are reported to have extracted 120Kt of ore by way of an open at a grade of 3g/t Au. The Resource Estimate remaining is 1.2Mt @ 1.6g/t Au for 62Koz Au Contained. Drill intersections under the historic main pit include 4m @ 22.7g/t Au from 24mdh and below a satellite pit 7m @ 16.5g/t Au. There are at least 8 other intersections below the main pit with intersections ranging from 1- 12m at grades from 2-7g/t Au. 4 other drill intersections below satellite pits range from 2- 9m at grades also ranging from 2-7g/t Au. The mineralisation is open along strike and to depth, with >7kms of prospective strike outlined.

The Company's priority post listing is to undertake extensional drilling to outline an Updated Resource Estimate for the Project. There is also potential for toll treatment of the ore at a nearby CIP plant, should a commercial deposit be outlined.

LEWIS PONDS – The 148 sq km Lewis Ponds Precious & Base Metals Project is located at the north margin of the LTZ, with the Tenure reported to extend over a continuous 65kms of a major orogenic gold hosting structure, known as the Godolphin-Narragal Fault. Numerous historic workings occur in the area. The Resource Estimate is 20.2 Mt @ 0.5g/t Au, 33g/t Ag, 1.5% Zn, 0.7% Pb and 0.1% Cu. Metallurgical testing suggests that conventional dense medium separation followed by flotation produces a saleable Pb Cu Zn Concentrate.

Post listing the Company is planning to undertake resource definition and extension drilling, along 9 kms of prospective strike.

YEOVAL - The 290 sq km Yeoval Porphyry Gold Copper Project located on the northern margins of the LTZ, 70kms NW of Orange. which has a Resource Estimate of 12.8Mt @ 0.38% Cu 0.14g/t Au 2.2g/t Ag. There are numerous historic workings, mainly for copper. An Induced Polarization chargeability anomaly has been outlined, which is considered a priority target, during Resource Extension Drilling.

COPPER HILL EAST - The 290 sq km Copper Hill East Porphyry Project is located 35kms N of Orange. There are numerous shallow workings, with malachite mineralisation at surface. The Project is close to ASX- GCR Copper Hill Project, which has a Resource of 28Mt @ 0.56%Cu 0.53g/t Au for 157Kt Cu 460Koz Au.

The Company is planning to undertake a program of soil geochemistry and geophysics, in order to outline drill targets.

THE OTHER PROJECTS - The Company's other Projects are all grassroots and include the Gundagai Gold Project, where historic workings occur along the Cootamundra Fault; the Wiseman Creek Gold Copper Project located in the central LTZ and the Calarie Gold Project located on the southern margin of the LTZ.

RESOURCE ESTIMATES – Comparing GRL with others in the MVB

GRL has the highest contained Gold & Silver Resource, among the Exploration Companies within the MVB, Plus the second highest copper Resource and the only Lead and Zinc Resource

CODE	PROJECT	CONTAINED RESOURCES
GRL	THREE PROJECTS AS A GROUP	425Koz Au, 21.8Moz Ag, 306Kt Zn, 136Kt Pb, 68Kt Cu
IPT	COMMONWEALTH	88Koz Au 3.3 Moz Ag
GCR	GOLDEN CROSS	157Kt Cu 460Koz Au.

THE MARKET IMPACT OF A PORPHYRY DISCOVERY -

The main Market interest in the LFB for Explorers is in the discovery of Porphyry Copper Gold Deposit, that have the size and grade potential to be future Tier 1 Development and Mining Projects. The impact of the Boda Discovery announced on the 19th September 2019, on ASX-ALK and the neighbors share price was as follows -

ASX CODE	Price 15 th Nov 19	Price End Oct 19	Price End Sept 19	Price End Aug 19
ALK	64.5c	72c	68c	41c
MAG	15c	12.5c	5.9c	1.8c
AQX	3.9c	4c	3.9c	1.6c

Over time it will be hard for these Companies to maintain the current share price, unless there are further drill intersections that grab the attention of the Market. Already we are seeing some waning of the ALK and AQX price, which is to be expected as the Market interest typically wanes after a few weeks.

The effect on the Enterprise Value of the discovery on the neighboring project was as follows.

CODE	COMPANY	EV \$M PRE BODA	EV \$M POST BODA
AQX	ALICE QUEEN	10.6	27.7
MAG	MAGMATIC RESOURCES	2.7	19.7

The conservative approach might suggest that the Enterprise Values of AQX and MAG might return to around \$10M each, without further drilling success in the area in the short term.

TYPICAL EXPLORATION BUDGETS REQUIRED - Porphyry Projects

The defining of a gold copper porphyry deposit prior to a Resource Estimate required a significant drilling budget. A good guide to the level of funds required is to look at the Exploration Expenditure required is ASX-SVY Stavelly Minerals who are currently outline a porphyry deposit within the Stavelly Complex, the Victorian extension to the LFB.

SVY has spent \$5.7M on exploration over the past 12 months. ALK has spent close to \$12M but much of that would be outside the MVB south of its Tomingley Mine. TLM has also spend \$5.7M in the past year in exploration some of which would have been on its WA Projects, now sold.

CODE	EXORATION EXPENDITURE Q4 18-Q3 19 in \$K	CAPITAL RAISINGS Q4 18-Q3 19 in \$K	SHARE PRICE RISE LAST 12 MONTHS	ENTERPRISE VALUE \$M
ALK	-11970	0	217.8%	308.3
TLM	-5709	0	-62.5%	10.8
SVY	-5407	4309	375.0%	289.1
AQX	-1669	4738	192.3%	27.7
IPT	-1525	0	-25.0%	10.4
MAG	-1316	0	400.0%	19.7
GCR	-398	0	-72.9%	4.9
KTA	-248	790	59.3%	6.2

In the Prospectus, GRL have budgeted to spend \$2.7M on exploration. Whilst that level will provide a good start, additional funding will be needed if the initial exploration is encouraging.

Whilst if the initial exploration expands the economic potential of one or more of the Companies projects in the view of the Market, then further raisings could be at a premium to the IPO price. However, there is always a significant risk that if the results of the first round of exploration do not meet Market expectation, then further rounds of capital raisings may be at a discount to the IPO price.

MVB EXPLORERS - Comparison of Cash Position

Amongst GRL's peers only ASX-AQX and ASX-KTA have raised funds over the 12 months to end of September 2019. Since then ASX-MAG has raised \$2.2M. TLM have received \$10M in cash from the sale of its Sinclair Nickel Project.

Code	Company	CASH \$M at end Q3 19	Adjusted Cash \$M	Committed Q4 19 \$M	Quarters Cash
AQX	ALICE QUEEN	1.86	1.86	0.86	2.2
MAG	MAGMATIC	0.02	2.2	0.77	2.8
TLM	TALISMAN	7.75	17.75	2.2	8.1
IPT	IMPACT	1.52	1.52	0.59	3.9
KTA	KRAKATOA	0.42	0.42	0.31	1.4
GCR	GOLDEN CROSS	0.08	0.08	0.18	0.56

Most of the MVB Explorers have sufficient funds for the next 2 quarters, with KTA may need to go to the Market for cash, before then?

THE ENTERPRISE VALUE ASSIGNED TO GRL BY THE IPO

The Prospectus for GRL suggests a \$6M Enterprise Value at the IPO.

1. Given the Company has Projects with a Total Resource Estimate at least equivalent to any of its peers.
2. The Company has its main Project located in the MBV and LTZ Region within an area of attractive geology for porphyry gold copper Projects.
3. It is likely that over time the Enterprise Value of Companies close to the Boda Discovery will decline unless further Market attractive intersections are returned.

AUSTEX is of the view that the Enterprise Value assigned at the IPO is “Reasonable” and it leaves the potential for upside in the share price, the event that exploration drilling by GRL is successful in outline further mineralisation of a grade and potential size that attracts Market attention.

DISCLAIMER -

However, there is always a significant risk that even though the Geological Potential of the Company’s Tenure is considered prospective, that exploration drilling will not be successful and that the Company’s share price will fall below that of the IPO.

AUSTEX is not a Financial Advisor and hence cannot recommend investments in any Company including GRL. As a result, investors must seek the advice of their own Financial Advisor and also undertake their own detailed due diligence and reach their own decision as to whether an investment in GRL is right for them, and not rely in any way on the contents of this report alone.

AUSTEX does not accept any loss that any investor may occur by investing in GRL as a result of reading this report.

Yours Sincerely

AUSTEX RESOURCE OPPORTUNITIES PTY LTD.



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