

29 July 2022

Quarterly Activities Report

Strong exploration results driving momentum across project suite

- **Narraburra Rare Earth Project:** four-hole diamond cored drill program approved by NSW Resources Regulator – drilling commenced subsequent to the end of the period
 - Comprehensive review of historical data associated with Narraburra Project completed prior to 4,000m aircore program – scheduled to begin once site access is available
 - Aircore drill program designed to upgrade Narraburra resource to JORC 2012 compliant status
- **Yeoval Copper-Gold Project:** large porphyry system, 900m diamond cored drill program completed to test for mineralisation extensions
 - Initial hole at Cyclops prospect intersected multiple copper and magnetite mineralised veins and large-scale porphyry style alteration mineral assemblages
- **Lewis Ponds Base Metal-Gold Project:** gold in soils coincident with airborne EM response north of known mineralisation, DHEM survey completed as follow up, and a large conductive plate defined
- **Gundagai South:** soil and rock chip sampling undertaken – results highlight gold-in-soils across multiple prospects

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 June 2022 (the “quarter”). The Company continued to progress a number of initiatives that have laid a strong foundation for future exploration success across Godolphin’s project suite.

Management commentary

Managing Director Ms Jeneta Owens said:

“During the quarter, Godolphin focused on a number of opportunities across its tenement suite, ensuring the Company can continue to mature its exploration initiatives.

A considerable amount of work was dedicated to the review of historical data associated with the Narraburra Rare Earth Project. This has led to a stronger understanding of the tenement package, as well as the asset’s potential. We have worked closely with the landholder on our proposed drilling programs, while navigating ongoing heavy rain restricting drill-rig access. Subsequent to the end of the quarter, we commenced a diamond drill program to confirm mineralisation styles, obtain Bulk Density data for mineral resource estimation and provide bulk composite samples for bench-scale metallurgical work.

We finalised plans for an 80-hole aircore drilling program, which has the potential to increase the size and grade of the Narraburra resource in line with JORC 2012 standards. We expect this drilling to commence during the September 2022 quarter.

Additional exploration during the quarter focused on synthesising and interpreting data sets for our existing gold and copper projects. This work will assist the Company to plan future drilling, designed to increase the size of each resource.”



Narraburra Rare Earth Project

Diamond Drill Program

The Company continued work towards the commencement of exploration initiatives at Narraburra, which included the approval of a diamond cored drill ("DD") plan by the NSW Resources Regulator. The proposed DD program will use a lighter weight rig while weather conditions are not suitable for more extensive drilling, which will be off existing roads and occur prior to the proposed 4,000m aircore program. The DD program is designed to confirm and test rare earth and rare metal mineralisation and provide samples for important mineralogy and initial metallurgical test work.

Following approval of Godolphin's four-hole DD program by the regulatory body, the Company immediately engaged a drilling contractor. The drilling commenced subsequent to the end of the quarter.

Aircore Drill Program

During the quarter, Godolphin finalised plans for its proposed 4,000m aircore drill program, which is designed to test for depth extensions and step outs to known rare earth element (REE) mineralisation and provide the data to complete a JORC (2012) Mineral Resource Estimate (MRE).

The aircore program was initially scheduled to begin during the quarter, however the aircore drilling has been delayed due to unsuitable weather conditions. The initiative will now commence following the completion of the proposed diamond drill programs.

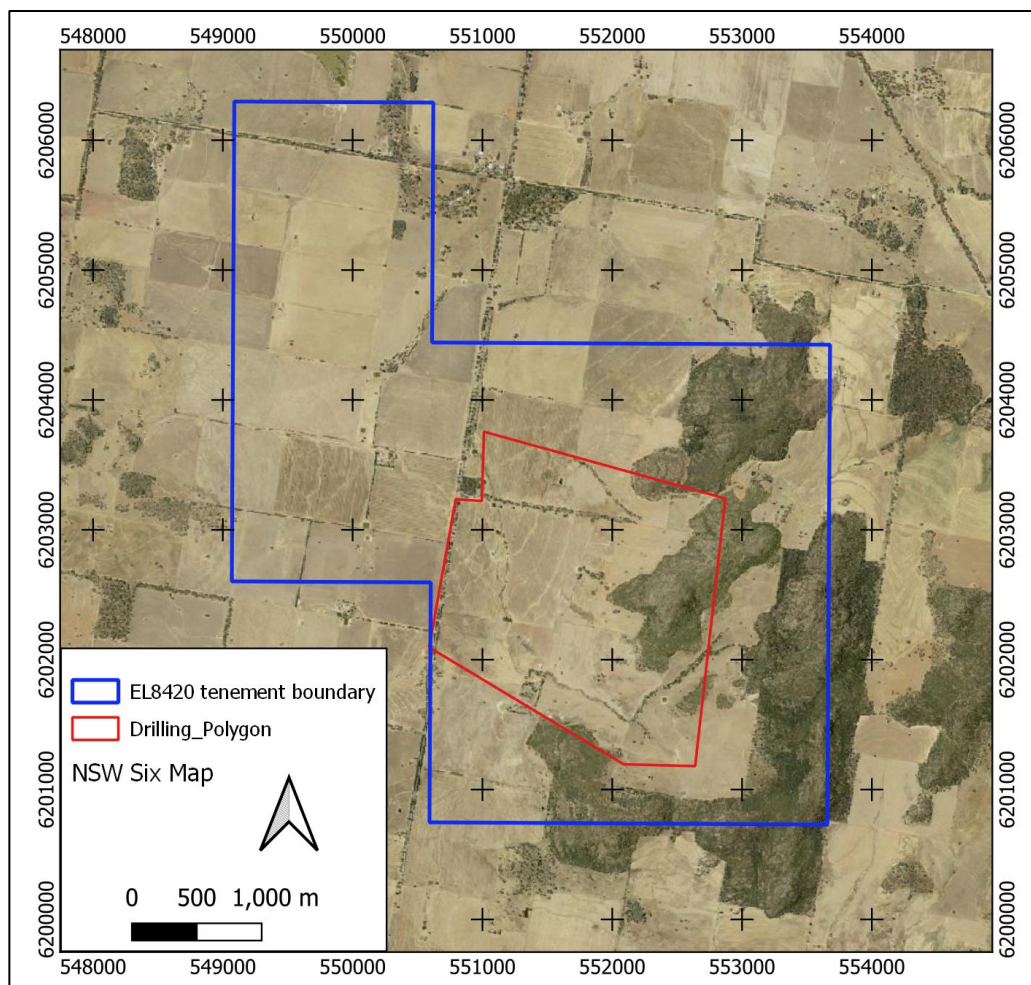


Figure 1: Aerial image of EL8420, with the drilling area polygon in red and where the aircore and diamond drilling will be completed at Narraburra Rare Earth and Rare Metals project - located 12km northeast of Temora in NSW.



Yeoval Copper-Gold Project

Diamond Drill Program

Godolphin mobilised a drill rig and commenced a two-hole 900m DD program, which targeted areas north and south of the current Inferred MRE to test for extensions to copper-gold mineralisation. Historical drilling at the project has not explored for mineralisation at depth, leaving the MRE open at depth in all directions.

The first hole (GYDD001) was drilled at the Cyclops prospect, 400m to the north of the Yeoval MRE. The hole tested an elongated north-south trending >400ppm Cu geochemical anomaly reported from historical soil, rock chip and shallow RC percussion drilling results associated with copper and gold mineralisation. The first drill hole tested for copper and gold at depth, aiming to extend mineralisation zones seen in previous exploration undertaking during the 1990's. The second hole was drilled 200m south of the MRE, to test for possible southern extensions to mineralisation.

The program was completed in April, with the initial hole GYDD001 intersecting multiple copper mineralised veins and porphyry style alteration assemblages. GYDD001 confirmed that the overall rock package is a moderately to strongly magnetic hornblende-rich granodiorite which exhibits strong to intense zones of chlorite-sericite alteration, magnetite veinlets, epidote-silica veining, k-feldspar vein selvage to patchy k-feldspar alteration and quartz-magnetite-chalcopyrite (copper) bearing veins. These associations are “text-book” porphyry copper indicators (¹ refer Corbett, SMEDG, 2019, Time in porphyry Cu-Au development – Exploration implications).



Figure 2: Picture of GYDD001 – 124m. thick quartz-magnetite-chalcopyrite bearing veins.

The drill rig then completed the second planned drillhole, at the end of April. All cores have been geologically logged and despatched for assay, with results expected in Q3, 2022.

¹ <https://smedg.org.au/wp-content/uploads/2020/07/Corbett%20Time%20in%20porphyry%20Cu-Au%20May%202019.pdf>



Lewis Ponds Base Metal-Gold Project

Soil Sampling, Northern Extension and DHEM Survey

A 200m x 100m soil sample program was completed to the north of the Lewis Ponds deposit during the quarter. The aim of the 161-sample program was to identify zones of elevated gold and base metals along strike of the Lewis Ponds MRE and infill broad spaced historical soil lines completed in the 1990's. The program identified a 400m long zone of >16ppb gold with a peak result of 230ppb gold. A number of smaller zones reporting +16ppb gold occur across the sampling area and suggest a northerly extension to the Lewis Ponds resource.

The Company also completed a review of a historical variable time-domain electromagnetic (VTEM) survey, which was undertaken in 2010 across the entire Lewis Ponds tenement. The VTEM was reviewed by the Company's geophysical consultants with the aim to identify any further targets along strike to the north of the Lewis Ponds MRE. This initiative has highlighted a number of strong negative VTEM responses to the northwest of the Lewis Ponds deposit, with characteristics similar to the negative VTEM anomaly over the Lewis Ponds MRE.

Further review of the VTEM data found that the strongest VTEM negative responses also correlate with the strongest IP chargeability highs particularly in the main resource at Lewis Ponds. It is believed that ground polarisation of the alteration zone causes the VTEM negative response. These negative VTEM responses, which correlate well with the recent anomalous gold in soil results is the same signature as above the known Lewis Ponds mineralisation. These findings are very encouraging for future exploration work and provide clear drill targets to the north of Lewis Ponds.

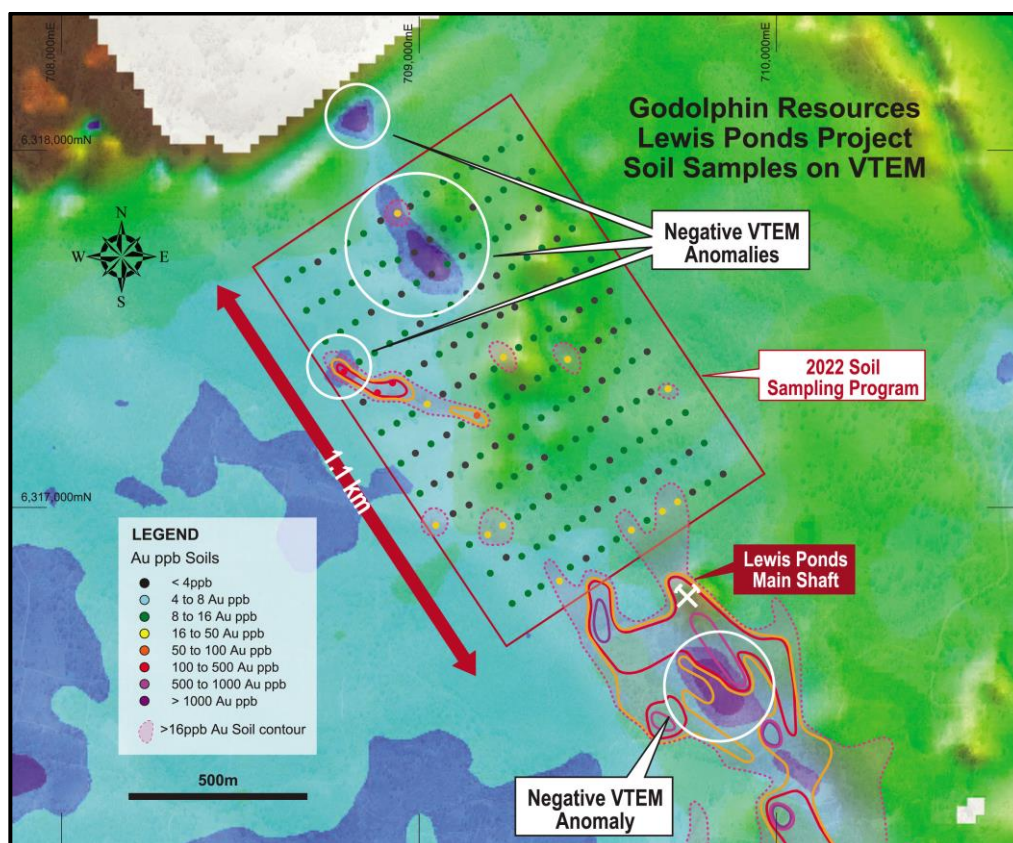


Figure 3. Plan image showing negative VTEM anomalies with coincident gold-in-soils results

A downhole Electromagnetic data (DHEM) survey was completed during the quarter on GLP003, which was drilled at the northern margin of the known Lewis Ponds resource and intersected the Spicer's and Tom's



Lodes. The aim of the DHEM was to define the location and geometry of any conductors near the hole and potentially define northern extensions to mineralisation.

The program successfully identified three conductors, which are summarised as follows:

- **Conductor A:** Weak but large conductor plate located south of the hole. Estimated size of 300m x 300m dipping deeply east and appears to be mainly below GLP003. The interpreted plate is a weak conductor, suggesting stringer mineralisation. Due to the large size, this conductor has been intersected by historical drilling and confirms the northern continuation of the current mineral resource. The size and stratigraphic positioning of the conductor suggests it represents mineralisation in the Spicer's or Main Lodes.
- **Conductor B:** A weak off hole conductor with an estimated size of 55m x 55m. Conductance is high, which suggest pyrrhotite or chalcopyrite mineralisation. Possibly represents an up-dip extension to the Torphy's Lode.
- **Conductor C:** Small, highly conductive plate which is 25m x 25m and close to GLPD003.



Gundagai South Gold Project

Soil and Rock chip Sampling

Godolphin also completed a soil and rock chip sampling program during the period, designed to complement exploration drilling, extend existing surface geochemistry and to assist in identifying potential future drill targets at Big Ben and Surprise Hill North.

Results from the initiative highlighted that high-grade gold ($<10.8\text{g/t}$) occurs within quartz veined rhyolitic rock units, and broad zones of anomalous gold-in-soils ($>0.02\text{g/t}$) occurs across both prospect areas.

The soil sampling was spaced at $200\text{m} \times 100\text{m}$ and designed to extend previous work and infill potential gaps that may provide further drill targets. Results from the soils program identified that the anomalous $>0.02\text{g/t}$ gold is associated with areas of outcropping felsic dykes or sills with a peak soil result of 0.96g/t gold. These results are very encouraging and confirm those reported from historic surface sampling initiatives.

Rock chip sampling was conducted during the soil sampling program and identified high-grade gold associated with quartz veins in flow banded rhyolites. Sample GRR0230 returned an outstanding gold value of 10.8g/t with visible gold in the sample (ASX release 27 May 2022 ASX: GRL "Exploration Update"). This result shows there is potential for the area to host economic gold mineralisation. Further, the sample also identifies the extension of the flow banded rhyolites that host quartz veins with gold. These will be a key focus for future exploration.

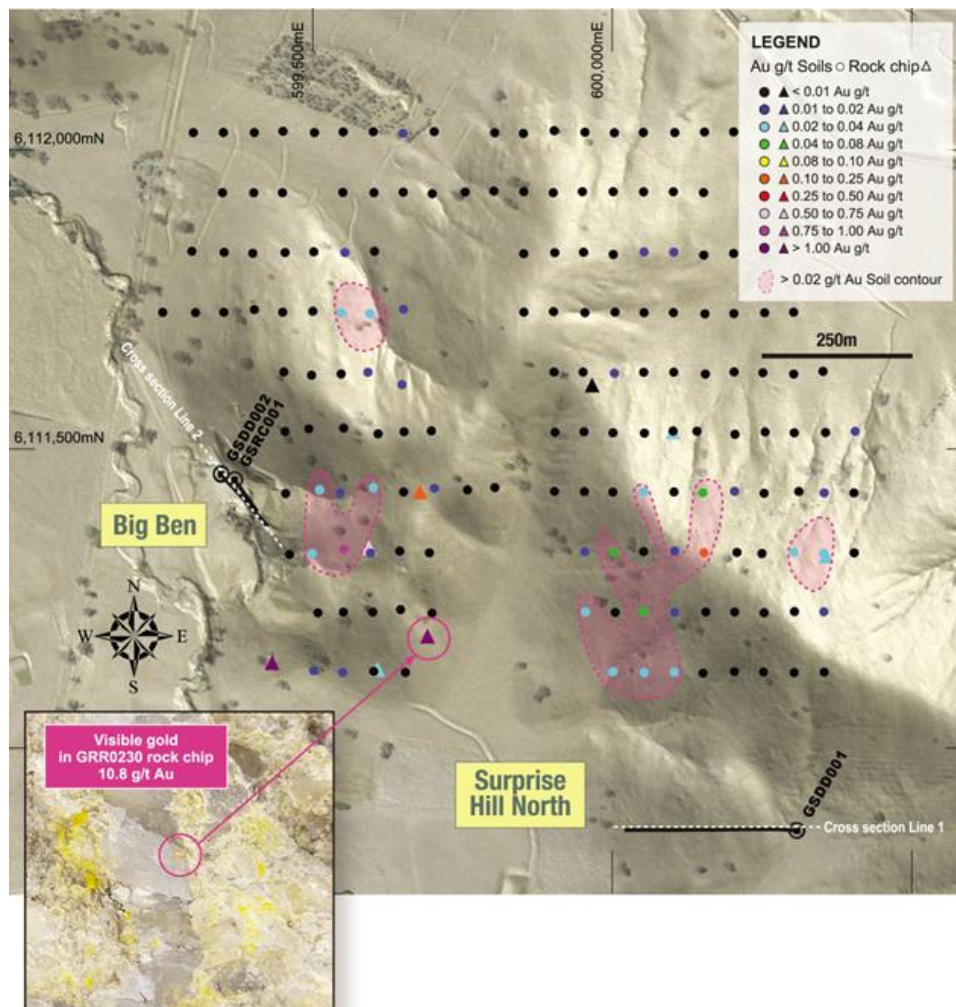


Figure 4. Location of Gundagai South soil and rock chip sampling at the Big Ben and Surprise Hill North prospects. Locations of GSD001, GSD002 and GSRC001 shown.



Godolphin Resources Limited Tenement Schedule as at 30 June 2022

Tenure	Location	Godolphin Interest	Status	Note
EL 5583	Lewis Ponds	100%	Live	1
EL 8323	Ophir	Nil%	Sold	3
EL 8556	Copper Hill East	100%	Live	
EL 8966	Mt Bulga	100%	Live	
EL 8901	Caledonian	100%	Live	
EL 8532	Mt Aubrey	100%	Live	
EL 8538	Yeoval	100%	Live	
EL 8964	Yallundry	100%	Live	
EL 8963	Obley West	100%	Live	
EL 8962	Obley North	100%	Live	
EL 8890	Cumnock	100%	Live	
EL 8554	Wisemans Creek	Nil%	Sold	3
EL 8555	Calarie	100%	Live	2
EL 8580	Calarie Central	100%	Live	2
ML 0739	Calarie Lachlan Mine	100%	Live	2
EL 8061	Gundagai South	100%	Live	
EL 8586	Gundagai North	100%	Live	
EL 8889	Gundagai	100%	Live	
EL8998	Gadara	100%	Live	
EL9243	Goodrich	100%	Live	
EL9333	Kinross	100%	Live	
EL9337	Sebastopol	100%	Live	
EL9370	Gurrundah	100%	Live	
EL9371	Kingsburgh	100%	Live	

Note 1: A finder's fee is payable to David Timms on EL5583 sale transaction or production commencement (A\$2M cap).

Note 2: EL8555, EL8580 & ML0739 are subject to farm in agreements between GRL & Orange Minerals Pty Ltd as announced on 18 December 2020. At the date of this report GRL's interest in the tenements remains at 100%.

Note 3: As announced on 21 March 2022 and 3 June 2022, during the June 2022 quarter the Company completed the sale of 100% of Ophir (EL8323) and 100% of Wiseman's Creek (EL 8554) to Orange Minerals Limited (ASX: OMX) for A\$550,000.

**Exploration Expenditure Summary**

During the quarter ended 30 June 2022, Godolphin's cash expenditure for exploration & evaluation totalled A\$739,000² and consisted of:

	Current Quarter A\$000	Year to Date (12 Months) A\$000
Drilling and sample storage	(475)	(1,172)
Direct Salaries	(146)	(422)
Tenement rental	(33)	(66)
Shed Lease	(13)	(66)
Security Deposits	-	(97)
Laboratory costs	(47)	(125)
Consulting fees	(25)	(70)
Other	-	(8)
	(739)	(2,026)

Payments to related parties of the entity and their associates

The amount included in section 6.1 of the Appendix 5B cash payments of A\$137,425, an aggregate amount of payments to related parties and their associates being remuneration for directors' fees (A\$50,800) and salaries (A\$86,625).

<<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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² Refer Item 2.1(d) of Godolphin's Appendix 5B Mining exploration entity or oil and gas exploration entity quarterly cash flow report to 30 June 2022.



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 and REE province. Currently the Company’s tenements cover 3,200km² of highly prospective ground focussed on the Lachlan Transverse Zone, one of the key structures which controlled the formation of copper and gold deposits within the LFB. Additional prospectivity attributes of GRL tenure include the McPhillamy’s gold hosting Godolphin Fault and the Boda gold-copper hosting Molong Volcanic Belt.

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

COMPLIANCE STATEMENT The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Ms Jeneta Owens, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Owens is the Managing Director and full-time employee of Godolphin Resources Limited. Ms Owens has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ms Owens consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

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

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

Appendix 5B

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

Name of entity

Godolphin Resources Limited

ABN

13 633 779 950

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(138)	(657)
	(e) administration and corporate costs	(136)	(715)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	9
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	(274)	(1,363)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(7)
	(d) exploration & evaluation (if capitalised) ¹	(739)	(2,026)
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	275	275
	(c) property, plant and equipment	-	18
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(468)	(1,740)

¹ Consists of:

Drilling and sample storage	(475)	(1,172)
Direct Salaries	(146)	(422)
Tenement rental	(33)	(66)
Shed Lease	(13)	(66)
Security Deposits	-	(97)
Laboratory costs	(47)	(125)
Consulting fees	(25)	(70)
Other	-	(8)
	(739)	(2,026)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	7	7
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(12)
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)	-	(1)
3.10	Net cash from / (used in) financing activities	(5)	(6)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,385	4,747
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(274)	(1,363)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(468)	(1,740)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(6)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period²	1,638	1,638

² Includes term deposit for security deposit over rental property \$17,778.

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

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	950	847
5.2	Call deposits	688	1,538
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)³	1,638	2,385

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	137 ⁴
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

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

³ Includes term deposit for security deposit over rental property \$17,778.

⁴ Consists of Directors' fees (\$50,800) and salaries (\$86,625).

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(274)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(739)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,013)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,638
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,638
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.62
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
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. As announced on 28 July 2022, the Company has firm commitments to raise \$1.6 million for \$0.085 per ordinary fully paid share. The Company has also made a share purchase plan offer to Eligible Shareholders for \$0.085 per ordinary fully paid share.	
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	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date: 29 July 2022

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

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

Notes

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