

## ASX & Media Release

1 June 2020

## ASX Symbol

GRL

## Godolphin Resources Limited

3 Barrett Street  
Orange NSW 2800  
PO Box 9497  
Orange East NSW 2800  
Australia

## Telephone

+61 431 477145

## Email

[info@godolphinresources.com.au](mailto:info@godolphinresources.com.au)

## Website

[www.godolphinresources.com.au](http://www.godolphinresources.com.au)

## Directors

Jeremy Read  
*Non-Executive Chair*

Ian Buchhorn  
*Non-Executive Director*

Doug Menzies  
*Non-Executive Director*

## Management

David Greenwood  
*Chief Executive Officer*

## Issued Capital

Fully Paid Ordinary Shares  
67,957,051

Unlisted options  
exercisable at \$0.25  
20,000,000

ACN 633 779 950

## Lodgement of Loyalty Options Prospectus

As announced at the time of its capital raising and successful listing on the ASX Listing in December 2012 and following issuing a Prospectus dated 29 October 2019, Godolphin Resources Limited ('**Godolphin**' or '**the Company**') is pleased to provide more details and proceed with its offer of free Loyalty Options.

All Godolphin's eligible share holders and option holders, with a holding on the Record Date of 5 June 2020, will receive 1 free Loyalty Option for every 3 Company shares and options held.

Each Loyalty Option will be exercisable at any time on or before 24 months from the issue date, with an exercise price of 20 cents.

The Loyalty Options will not be transferrable, nor will they be listed on the ASX.

Shares issued upon exercise of the Loyalty Options will rank equally with all shares on issue.

A Loyalty Option Prospectus dated 1 June 2020 is attached to this announcement.

The Loyalty Option Prospectus is solely for statutory compliance, no individual action will be required from eligible share holders and option holders.

Godolphin's Project Portfolio is based upon 100% owned projects in the Lachlan Fold Belt (LFB) New South Wales, Australia's world-class gold-copper province. Currently the Company's tenements cover 3200km<sup>2</sup> 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, the Godolphin Fault and the Molong Volcanic Belt. Godolphin is rapidly exploring its tenement package with focussed, cost effective exploration and drilling programs.

### Godolphin's CEO – David Greenwood notes:

*"The free Loyalty Options to be issued will provide all eligible share holders and option holders registered on the record date with an opportunity to participate in the future growth of the Company, when exercising their Loyalty Options at the Exercise Price."*

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 [www.godolphinresources.com.au](http://www.godolphinresources.com.au) or contact:**

David Greenwood  
Chief Executive Officer  
Godolphin Resources Limited  
Tel +61 438 948 643



Timetable	
Event	Date
Lodgement of prospectus with ASIC and ASX	Monday 1 June 2020
Announce and lodge Appendix 3B	Monday 1 June 2020
Ex-date	Thursday 4 June 2020
Record Date	Friday 5 June 2020 7.00pm (Sydney time)
Loyalty Options Prospectus sent to eligible share holders/option holders	Monday 8 June 2020
Issue date	Monday 15 June 2020
Despatch of shareholding statements	Tuesday 16 June 2020

The above events, dates and times are indicative only and may be subject to change. The Company reserves the right to amend any of these events, dates and times without notice, subject to the Corporations Act, the ASX listing rules and other applicable laws. In particular, the Company reserves the right to extend the Record Date.

#### **Competent Person Statement**

*The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Johan Lambrechts, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Lambrechts is a full-time employee and shareholder of Godolphin Resources Limited and 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. Mr Lambrechts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



**Godolphin Resources Limited**

**ACN 633 779 950**

**Loyalty Options Prospectus**

For a Bonus Issue of up to approximately 29,319,050 Loyalty Options in total to Eligible Shareholders and Eligible Option Holders based on 1 Loyalty Option for every 3 Shares, Consideration Options, Incentive Options and Employee Options held on the Record Date.

Loyalty Options are issued for no consideration and Eligible Shareholders and Eligible Option Holders receiving this Loyalty Options Prospectus are not required to do anything to be issued their Loyalty Options.

The Company attaches a copy of the Loyalty Options Prospectus and confirms the timetable for the issue of Loyalty Options is as previously advised as follows:

Event	Date
Lodgement of prospectus Notice to option holders Announce appendix 3B, prospectus lodged with ASIC & ASX	1 June 2020
Ex-date	4 June 2020
Record Date	5 June 2020
Loyalty Options Prospectus sent to eligible shareholders	8 June 2020
Issue date	15 June 2020
Despatch of shareholding statements	16 June 2020

The Company's Prospectus dated 29 October 2019 (**IPO Prospectus**) included an indicative offer of 1 free Loyalty Option or Anti-Dilution Option<sup>1</sup> (**Loyalty Option**) for every 3 Shares held on the Record Date for an exercise price of the higher of \$0.25 or 25% premium to the 5-day VWAP prior to the Loyalty Option Prospectus, and an expiry date 12 months after the date of issue.

Following recent declines in equity markets caused by the COVID-19 pandemic, the Company's directors decided to issue the Loyalty Options on more favourable terms than offered in the IPO Prospectus.

All Godolphin Eligible Shareholders and Eligible Option Holders holding Shares or Options on the **Record Date of 5 June 2020** will still receive 1 free Loyalty Option for every 3 Shares and Options held.

However, each Loyalty Option will now be exercisable at any time on or before 24 months from the Issue Date, with an exercise price of \$0.20.

The Loyalty Options will not be transferrable nor will they be listed on the ASX. Shares issued upon exercise of the Loyalty Options will rank equally with all Fully Paid Ordinary Shares on issue.

**For further information regarding Godolphin, please visit [www.godolphinresources.com.au](http://www.godolphinresources.com.au)**

Godolphin Resources:

Mr David Greenwood, Chief Executive Officer Tel **+61 438 948643**  
[info@godolphinresources.com.au](mailto:info@godolphinresources.com.au)

<sup>1</sup> The IPO Prospectus states that "Loyalty Options will be issued on a pro-rata basis to holders of Shares at the record date set in the prospectus issued in relation to the Loyalty Options (Loyalty Option Record Date). Subject to the Listing Rules, Anti-Dilution Options may be issued to Ardea, Directors and employees of the Company who hold Options at the Loyalty Option Record Date." Each Anti-Dilution Option has the same terms as a Loyalty Option and is defined as a Loyalty Option for the purposes of the Loyalty Options Prospectus.

# Loyalty Options Prospectus

**Godolphin Resources Limited ABN 13 633 779 950**

For a Bonus Issue of up to approximately 29,319,050 Loyalty Options<sup>2</sup> in total to Eligible Shareholders and Eligible Option Holders based on 1 Loyalty Option for every 3 Shares, Consideration Options, Incentive Options and Employee Options held on the Record Date.

Loyalty Options are issued for no consideration and Eligible Shareholders and Eligible Option Holders receiving this Loyalty Options Prospectus are not required to do anything to be issued their Loyalty Options.

**ASX Code: GRL**

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<sup>2</sup> Subject to rounding and assuming Existing Options are not exercised prior to the Record Date

## 1. Important Notice

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This Loyalty Options Prospectus is dated 1 June 2020 and was lodged with ASIC on that date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Loyalty Options Prospectus or the merits of the investment to which this Loyalty Options Prospectus relates. No securities will be issued on the basis of this Loyalty Options Prospectus later than 13 months after the date of this Loyalty Options Prospectus.

### 1.1. Nature of this Loyalty Options Prospectus

The Loyalty Options issued under this Loyalty Options Prospectus are options to acquire Shares, which have been quoted on the official list of the ASX during the 3 months prior to the issue of this Loyalty Options Prospectus.

This Loyalty Options Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities or options to acquire securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the offer on the company and the rights and liabilities attaching to the securities offered. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Loyalty Options Prospectus contains information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all of the information that would be included in a prospectus for an initial public offer.

### 1.2. Loyalty Options Prospectus availability

Eligible Shareholders and Eligible Option

Holders can obtain a copy of this Loyalty Options Prospectus at any time prior to the Closing Date on the Company's website at [www.Godolphinresources.com.au](http://www.Godolphinresources.com.au) or by contacting the Company. If you access an electronic copy of this Loyalty Options Prospectus, you should ensure that you download and read the entire Loyalty Options Prospectus.

In accordance with ASIC Corporations Instrument (Application Form Requirements) Instrument 2017/241, this Loyalty Options Prospectus does not include an application form.

### 1.3. Foreign jurisdictions

The distribution of this Loyalty Options Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Loyalty Options Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Shareholders who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. This Loyalty Options Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

### 1.4. Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Bonus Issue which is not contained in this Loyalty Options Prospectus.

## **1.5. Forward looking statements**

This Loyalty Options Prospectus contains forward looking statements that, despite being based on the Company's current expectations about future events, are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors. These known and unknown risks, uncertainties and assumptions, could cause actual results, performance or achievements to materially differ from future results, performance or achievements expressed or implied by forward- looking statements in this Loyalty Options Prospectus. These risks, uncertainties and assumptions include, but are not limited to, the risks outlined in section 9 of this Loyalty Options Prospectus. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'believe', 'should', 'will', 'may' and similar expressions.

## **1.6. Privacy**

Eligible Shareholders and Eligible Option Holders should read the privacy information located in section 10.14 of this Loyalty Options Prospectus.

## **1.7. Definitions**

Certain terms and abbreviations used in this Loyalty Options Prospectus have defined meanings which are explained in section 14.

## **1.8. Enquiries**

If you have any questions, please call the Company Secretary on +61 438 948643 at any time between 9:00am and 5:00pm (AEST) Monday to Friday until the Closing Date. Alternatively, consult your broker, accountant or other professional adviser

## 2. Table of Contents

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1.	Important Notice .....	4
2.	Table of Contents .....	6
3.	Corporate Directory.....	7
4.	Timetable to the issue.....	8
5.	Key terms and capital structure .....	8
6.	Chairman’s letter .....	9
7.	Investment Overview and Key Risks .....	10
8.	Purpose and Effect of the Bonus Issue.....	13
9.	Risk Factors .....	17
10.	Details of the Bonus Issue.....	26
11.	Rights and Liabilities attaching to securities .....	31
12.	Additional Information .....	35
13.	Directors’ responsibility and consent .....	44
14.	Glossary .....	45
15.	Unaudited Consolidated Statement of Financial Position.....	47



### 3. Corporate Directory

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#### Directors

Jeremy Read – Non-Executive Chairman

Ian Buchhorn – Non-Executive Director

Douglas Menzies – Non-Executive Director

#### Chief Executive Officer

David Greenwood

#### Company Secretary

Ian Morgan

#### Business Office

3 Barrett Street

Orange NSW 2800

#### Postal Address

PO Box 9497

Orange East NSW 2800

#### Telephone

+61 438 948643

#### Email

[info@godolphinresources.com.au](mailto:info@godolphinresources.com.au)

#### Registered Office

Suite 2, 45 Ord Street

West Perth

WA 6005

#### Website

[www.godolphinresources.com.au](http://www.godolphinresources.com.au)

#### Securities Exchange\*

Australian Securities Exchange (ASX)

ASX Code: GRL

#### Solicitors to the Offer

MARQUE Lawyers Pty Ltd

Level 4

343 George Street

Sydney NSW 2000

#### Securities Registry\*

Automic Pty Ltd

Level 5, 126 Phillip Street

Sydney NSW 2000

Telephone

(within Australia): 1300 288 664

(outside Australia): +61 2 9698 5414

#### Auditor\*

Butler Settineri (Audit) Pty Ltd

Unit 16, First Floor Spectrum,

100 Railway Rd,

Subiaco WA 6008

\*These parties are named for informational purposes only and were not involved in the preparation of this Loyalty Options Prospectus.

#### 4. Timetable to the issue

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Lodgement of the Loyalty Options Prospectus with ASIC and ASX	1 June 2020
Ex-date	4 June 2020
Record date	5 June 2020
Issue date	15 June 2020
Despatch of holding statements	16 June 2020

These dates in the table above are indicative only. Subject to ASX Listing Rules, the Directors reserve the right to vary the dates without prior notice.

#### 5. Key terms and capital structure

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Equity Security	Number <sup>3</sup>
Existing Shares	<b>67,957,151</b>
Existing Options <sup>4</sup>	<b>20,000,000</b>
Existing Equity Securities	<b>87,957,151</b>
Loyalty Options issued pursuant to this Loyalty Options Prospectus (exercisable at \$0.20 on or before 24 months from the Issue Date) <sup>5</sup>	<b>28,652,383</b>
Equity Securities on issue upon completion of Bonus Issue	<b>116,609,534</b>

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<sup>3</sup> Assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date.

<sup>4</sup> See section 8.4 for a list of the Company's Options on issue.

<sup>5</sup> See section 11.1 for full terms and conditions of the Loyalty Options.

## 6. Chairman's letter

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Dear Shareholder,

This Loyalty Options Prospectus has been prepared by Godolphin Resources Limited (Godolphin or the Company) for the purpose of a Bonus Issue of Loyalty Options to all Eligible Shareholders and Eligible Option Holders holding Shares and Options on the Record Date.

The Company's Prospectus dated 29 October 2019 (**IPO Prospectus**) included an indicative offer of 1 free Loyalty Option for every 3 Shares / Options held on the Record Date for an exercise price of the higher of \$0.25 or 25% premium to the 5-day VWAP prior to the Loyalty Option Prospectus, and an expiry date 12 months after the date of issue.

Following recent declines in equity markets caused by the COVID-19 pandemic, the Company's directors decided to issue the Loyalty Options on more favourable terms than offered in the IPO Prospectus.

All Godolphin Shareholders and Eligible Option Holders holding Shares or Options on the **Record Date of 5 June 2020** will still receive 1 free Loyalty Option for every 3 Shares and Options held.

Each Loyalty Option will be exercisable at any time on or before 24 months from the Issue Date, with an exercise price of \$0.20.

The Loyalty Options will not be transferrable nor will they be listed on ASX. Shares issued upon exercise of the Loyalty Options will rank equally with all Shares on issue.

I would like to take this opportunity to thank you for your support of the Company to date. We have been fortunate to have a dedicated team of professionals, and an excellent portfolio of 100% controlled exploration projects in the Lachlan Fold Belt (LFB) of NSW., a leading Australian province for gold-base metal mines..

As described in the Company's IPO Prospectus, the Company's exploration strategy is to explore and develop its large contiguous tenement holding within the LFB.

With the encouraging results announced to date on these projects, we feel that the funds received from any future option exercise over the next 24 months will be most useful for accelerating the development programs.

In line with results to date, the team is being expanded and will continue to work hard to ensure that the pace of development of Godolphin's assets is continued and we look forward to your continued support.

Yours faithfully,



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Jeremy Read

Chairman

## 7. Investment Overview and Key Risks

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This information is a selective overview only. Eligible Shareholders and Eligible Option Holders should read the Loyalty Options Prospectus in full before deciding whether to exercise any Loyalty Options issued to them pursuant to this Loyalty Options Prospectus.

Question	Response	Where to find more information
What is the Bonus Issue?	<p>After the successful completion of Godolphin's listing on ASX, the Company wishes to reward Eligible Shareholders and Eligible Option Holders with a Bonus Issue of one Loyalty Option rounded up to the nearest whole number for every three Shares or Options held by Eligible Shareholders and Eligible Option Holders on the Record Date.</p> <p>Each Loyalty Option will be exercisable at any time on or before 24 months from the issue date, with an exercise price of \$0.20.</p>	Section 8.1
Are the Loyalty Options free?	Yes, the Loyalty Options are issued for no consideration. The Loyalty Options will not be listed on ASX, and so they are for the benefit of current Shareholders and Eligible Option Holders on the Record Date.	Section 8.2
Am I an Eligible Shareholder?	<p>The Bonus Issue is made to Eligible Shareholders. Eligible Shareholders are those Shareholders who:</p> <p>(a) are the registered holders of Shares as at 7:00pm (AEST) on the Record Date; and</p> <p>(b) have a registered address in Australia.</p>	Section 10.3
Am I an Eligible Option Holder?	<p>The Bonus Issue is made to Eligible Option Holders. Eligible Option Holders are those Consideration Option Holders, Incentive Option Holders and an Employee Option Holders who:</p> <p>(a) are the registered holders of Options as at 7:00pm (AEST) on the Record Date;</p>	Section 10.3

Question	Response	Where to find more information
	<p>and</p> <p>(b) have a registered address in Australia.</p>	
<p>How will the funds raised upon exercising Loyalty Options be spent?</p>	<p>As the Loyalty Options are being issued for no consideration, no funds will be raised as a result of the Bonus Issue.</p> <p>It is currently intended that any funds raised by the exercise of the Loyalty Options will be used for increasing the pace of exploration and development on the Company's projects and working capital.</p>	<p>Section 8.2</p>
<p>What are the key risks of a subscription under the Bonus Issue?</p>	<p>An investment in the Company has risks that you should consider before making a decision to invest. These risks include:</p> <ul style="list-style-type: none"> <li>• Specific risks related to mineral title, management, exploration outcomes, commodity prices, environment, statutory regulation and funding.</li> <li>• General economic risks and business climate.</li> <li>• Exploration, development, mining and processing risk.</li> <li>• Native title risk.</li> <li>• General investment risk</li> </ul> <p>Please carefully consider these risks, the additional risks contained in Section 9 and the information contained in other sections of this Loyalty Options Prospectus before deciding whether to sell or exercise any Loyalty Options issued. You may wish to contact your professional adviser.</p>	<p>Section 9</p>
<p>Is the Bonus Issue underwritten?</p>	<p>The Bonus Issue is not underwritten.</p>	<p>Section 10.4</p>

Question	Response	Where to find more information
Is the Bonus Issue subject to any conditions?	The Bonus Issue is not subject to any minimum subscription.	Section 10.2
What will be the effect of the Bonus Issue on control of the Company	No Shareholder will increase their voting power in the Company to 20% or more under the Bonus Issue.	Section 8.5
Can I sell my Entitlements?	No, the Bonus Issue is non-renounceable meaning Shareholders may not transfer their Entitlement.	Section 10.5
How can I obtain further advice?	<p>If you have any questions, please call the Company Secretary on +61 438 948643 at any time between 9:00am and 5:00pm (AEST) Monday to Friday until the Closing Date.</p> <p>Alternatively, consult your broker, accountant or other professional adviser.</p>	

## **8. Purpose and Effect of the Bonus Issue**

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### **8.1. Introduction**

As disclosed in the October 2019 prospectus issued to list on ASX, Godolphin announced its intention to undertake a Bonus Issue of Loyalty Options at no cost to all Godolphin Shareholders on the register approximately three months from listing.

By this Loyalty Options Prospectus, the Company is making a pro-rata Bonus Issue on the basis of one Loyalty Option (rounded up to the nearest whole number) for every three Shares or Options held by Eligible Shareholders and Eligible Option Holders on the Record Date.

Each Loyalty Option will be issued for no consideration and entitle the holder to be issued one Share exercisable at any time on or before 24 months from the issue date, with an exercise price of \$0.20.

The Bonus Issue is non-renounceable, meaning Shareholders may not transfer their Entitlement.

The primary purpose of the Bonus Issue is to reward Eligible Shareholders and Eligible Option Holders for their loyalty to and support of the Company. If the Bonus Options are exercised, this will provide the Company with a potential source of additional capital.

The terms of the Loyalty Option and underlying Shares are set out in Section 11.

### **8.2. Use of funds of the Bonus Issue**

As the Loyalty Options are being issued for no consideration, no funds will be raised as a result of the Bonus Issue.

The Company will receive \$0.20 for each Loyalty Option exercised. There is no certainty that any Loyalty Options would be exercised, and the number exercised will depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the Loyalty Options will be used for accelerating exploration and development on the Company's projects and for working capital.

The application of funds will depend on when Loyalty Options are exercised and the status of the Company's projects and requirements at the relevant time.

### **8.3. Statement of financial position**

Set out in Section 15 is the un-audited Consolidated Statement of Financial Position of the Company as at 31 March 2020 and prepared on the basis of the following assumptions:

- (a) the Bonus Issue was effective on 31 March 2020;
- (b) no funds would be received from the Bonus Issue;
- (c) no further Shares are issued (including by way of exercise of Options) other than all Loyalty Options issued under this Loyalty Options Prospectus;
- (d) costs of the Bonus Issue are approximately \$40,367.

#### 8.4. Effect of the Bonus Issue on the Company's Equity Securities

Assuming that no further Shares are issued (including by way of exercise of Options) prior to the Record Date, at the close of the Bonus Issue, the capital structure of the Company will be:

Equity Security	Existing	New	
		All Existing Options exercised <sup>6</sup>	Existing Options not exercised <sup>7</sup>
	Number	Number	Number
Existing Shares	67,957,151	87,957,151	<b>67,957,151</b>
Existing Options			
Consideration Options	15,000,000	-	<b>15,000,000</b>
Advisor Options	2,000,000	-	<b>2,000,000</b>
Employee Options	2,000,000	-	<b>2,000,000</b>
Incentive Options	1,000,000	-	<b>1,000,000</b>
	20,000,000	-	<b>20,000,000</b>
Existing Equity Securities	87,957,151	87,957,151	<b>87,957,151</b>
Loyalty Options issued pursuant to this Loyalty Options Prospectus (exercisable at \$0.20 on or before 24 months from the Issue Date)			
Existing Shares	-	29,319,050	<b>22,652,383</b>
Consideration Options	-	-	<b>5,000,000</b>
Employee Options	-	-	<b>666,667</b>
Incentive Options	-	-	<b>333,333</b>
	-	29,319,050	<b>28,652,383</b>
<b>Equity Securities on issue upon completion of Bonus Issue</b>	<b>87,957,151</b>	<b>117,276,201</b>	<b>116,609,534</b>

The actual number of Loyalty Options to be issued will be determined by the number of Advisor Options that are exercised between the date of the Loyalty Options Prospectus and the Record Date.

If no Advisor Options, are exercised prior to the Record Date, the number of Loyalty Options to be issued at completion of the Loyalty Issue is approximately 28,652,383. If all Advisor Options are exercised prior to the Record Date, the maximum number of Loyalty Options to

<sup>6</sup> Assumes there is no issue of new Shares, and Existing Options on issue prior to the Record Date are all exercised.

<sup>7</sup> Assumes there is no issue of new Shares, and Existing Options on issue prior to the Record Date are not exercised.



be issued at completion of the Loyalty Issue is approximately 29,319,050.

Under the terms of the Consideration Options held by Ardea, Ardea is entitled to be issued one additional Loyalty Option for every three Consideration Options Ardea holds on the Record Date (**Ardea Options**).

Under the terms of the Employee Options, each employee holding an Employee Option, including the CEO, is entitled to be issued one additional Loyalty Option for every three Employee Options the employee holds on the Record Date.

Under the terms of Incentive Scheme, each Director is entitled to be issued one additional Loyalty Option for every three Incentive Options the Director holds on the Record Date.

### 8.5. Potential effect on control

Based on the publicly available information as at 1 June 2020, the relevant interests and voting power of the substantial shareholders (based on undiluted and diluted) of the Company are as follows:

Shareholder	Shares	Options	% voting power (based on an undiluted basis)	% voting power (based on a fully diluted basis)
Ian Buchhorn and associates	6,699,849	250,000	9.86%	7.90%
B O'Shannassy and associates	4,920,506	Nil	7.24%	5.59%
Ardea	554,651	15,000,000	0.82%	17.68%

On an undiluted basis, the Bonus Issue will have no effect on the quantity of Shares held by these substantial shareholders (and their associates) as only Options are being issued.

The exercise of the Loyalty Options will not have a material effect on the control of the Company as:

- (a) The issue based on Existing Shares is pro rata to Eligible Shareholders;
- (b) Neither substantial holder holds Consideration Options or Employee Options;
- (c) Ian Buchhorn holds 250,000 Incentive Options, if he exercised all his Incentive Options he would hold 10.19% in the capital of the Company (on an undiluted basis); and
- (d) No person acquiring Loyalty Options may exercise their Options if that person or someone else's voting power in the Company increases:
  - (i) from 20% or below to more than 20%; or
  - (ii) from a starting point that is above 20% and below 90%.

### 8.6. Prohibition on exceeding 20% voting power

You must have regard to and comply with the takeover prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when exercising Loyalty Options granted pursuant to this Loyalty Options Prospectus.

The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 as a result of the exercise of the Loyalty Options.

If you may be at risk of breaching section 606 as a result of the exercise of Loyalty Options, you have the following choices available to you:

- (a) Sell some or all of your Shares prior to exercising any Loyalty Options held by you; or
- (b) Rely on an exemption from the takeover prohibition in section 611 (such as the 3% creep exemption).

If you may be at risk of exceeding the 20% voting power threshold in section 606 or increasing your voting power from a position above 20% as a result of the acquisition of Shares following exercise of Loyalty Options, you should seek professional advice before exercising Loyalty Options.

## 9. Risk Factors

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The Loyalty Options issued under this Loyalty Options Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors consider the risk factors described below and together with information contained elsewhere in this Loyalty Options Prospectus and to consult with their professional advisers before deciding whether to sell or exercise any Loyalty Options issued to them pursuant to this Loyalty Options Prospectus.

There are specific risks which relate directly to the Company's business and circumstances. In addition, there are general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 9.1. Risks specific to the Bonus Issue

(a) Dilution

If Shareholders do not exercise their Loyalty Options, because they allow those Loyalty Options to expire without being exercised, and other Shareholders exercise their Loyalty Options, their shareholding will be diluted as a result.

(b) Exercise Price

There can be no guarantee that the Share price will be greater than the exercise price of the Loyalty Options during the period up to the expiry of the Loyalty Options. Accordingly, there is a risk that the Loyalty Options will be out of the money during the exercise period, which would affect the value of the Loyalty Options.

### 9.2. Specific Risks

Godolphin's exploration projects represent the main business activity and focus of Godolphin. Risks specific to these projects and Godolphin's circumstances include the following:

(a) Non-grant or non-renewal of title

Godolphin's tenements are subject to application or renewal.

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements.

Details of mining tenements held at 31 May 2020 and their locations are:

Tenement Reference	Details	Expiry date	Location	Interest	Expenditure commitment to 2023
EL 8580	Calarie Central	26-May-23	Between Parkes & Forbes, NSW	100%	\$375,000
EL 8555	Calarie <sup>8</sup>	5-May-20	Between Parkes & Forbes, NSW	100%	\$50,000
ML 0739	Calarie Lachlan Mine <sup>8</sup>	22-May-21	North of Forbes, NSW	100%	\$0
EL 8901	Caledonian	21-Oct-24	Stuart Town, NSW	100%	\$150,000
EL 8556	Copper Hill East <sup>8</sup>	5-May-20	30km north of Molong, NSW	100%	\$335,000
EL 8890	Cumnock	26-Aug-24	Cumnock, NSW	100%	\$150,000
ELA5916	Gadara	Under application	South of Gundagai, NSW	100%	\$50,000
EL 8889	Gundagai	26-Aug-24	Gundagai, NSW	100%	\$160,000
EL 8586	Gundagai North	20-June-20	North of Gundagai, NSW	100%	\$50,000
EL 8061	Gundagai South	13-Mar-23	South of Gundagai, NSW	100%	\$420,000
EL 5583	Lewis Ponds	25-Jun-22	Near Orange, NSW	100%	\$120,000
EL 8532	Mt Aubrey	7-Mar-26	35km NE Parkes, NSW	100%	\$330,000
EL 8966	Mt Bulga	9-Apr-25	Close to Orange, NSW	100%	\$45,000
EL 8962	Obley North	6-Apr-25	Close to Baldry, NSW	100%	\$90,000
EL 8963	Obley West	6-Apr-25	Cloe to Baldry, NSW	100%	\$90,000
EL 8323	Ophir	27-Nov-22	15km NE of Orange, NSW	100%	\$360,000
EL 8554	Wisemans Creek <sup>8</sup>	4-May-20	Oberon, NSW	100%	\$80,000
EL 8964	Yallundry	6-Apr-25	Cumnock, NSW	100%	\$90,000
EL 8538	Yeoval	19-Mar-26	Yeoval, NSW	100%	\$335,000
<b>Total</b>					<b>\$3,280,000</b>

All the Group's licences are in good standing at the date of this report. Tenement renewal applications have been submitted for Calarie, Calarie Lachlan Mine, Copper Hill East, and Wisemans Creek..

There is a risk that Godolphin may not retain title to these tenements.

Under New South Wales law, exploration tenements are valid for set periods of time and renewal is subject to the approval of the NSW State Minister. There is no guarantee that Godolphin will in future be successful in the renewal of exploration tenements as they reach their expiry date, though statutory mechanisms exist to extend title.

If in future tenements are not extended, Godolphin may suffer damage through loss of

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<sup>8</sup> Renewal applications have been submitted for these tenements.

the opportunity to discover and/or develop any mineral resources on these tenements.

(b) Land-Owner and Access Risk

The Company will be required to negotiate access agreements and pay compensation to the land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have material adverse effect on the business, results or operations and financial condition of the Company. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.

(c) Management

The loss of one or more Directors or senior executives may have an adverse effect on the Company's operations. Recruiting and retaining qualified personnel are important to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on the Company if one or more key employees leave the Company.

(d) Limited exploration

Other than Mount Aubrey, Lewis Ponds, Yeoval, Calarie and Gundagai, the Company's projects have been subjected to only limited historical drilling. Whilst gold and/or base metal mineralisation, as the case may be, has been located in multiple previous drill intersections, there is a risk that the mineralisation in adjacent drill holes is not continuous between drill holes. There is also a risk that the previously completed drill holes may not be representative of the overall mineralisation present. Further drill tests are required to determine if the mineralisation extends further beyond the geometry as defined in current drill patterns. To the extent that further exploration extends the Company's current resource estimates, there is no guarantee that the Company will be capable of sustaining commercial development.

(e) Resource estimates

There is a degree of uncertainty to the estimation of Mineral Resources and Ore Reserves and corresponding grades being mined or dedicated to future production. Until Mineral Resources or Ore Reserves are actually mined and processed, the quantity of Mineral Resources and Ore Reserves must be considered as estimates only. In addition, the grade of Mineral Resources and Ore Reserves may vary depending on, among other things, metal prices. Any material change in quantity and grades of Mineral Resources, Ore Reserves, or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

(f) Fluctuation in the prices of relevant commodities, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Resources and / or Ore Reserves, could have a material adverse effect on Company's financial condition.

(g) Exploration and Operating Risks

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal or adverse weather patterns;
- (iii) alterations to program and budgets;
- (iv) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling, metallurgical laboratory work and production activities;
- (v) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events;
- (vi) industrial action, disputation or disruptions;
- (vii) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations;
- (viii) unavailability of suitable laboratory facilities to complete metallurgical test-work investigations;
- (ix) failure of metallurgical testing to determine a commercially viable product;
- (x) shortages or unavailability of manpower or appropriately skilled manpower;
- (xi) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and
- (xii) prevention or restriction of access by reason of inability to obtain consents or approvals.

(h) Commodity Prices

The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for the specific commodity, prevailing commodity trading terms, general world economic

conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities. Furthermore, some products are not traded upon terminal, liquid, commodity exchanges. There is a risk therefore that the Company may not be able to secure an attractive price for its commodity products. Environment

As a condition of the Tenements, Godolphin will be required to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, failure to do so may render the Tenements liable to cancellation. Godolphin is also required to lodge rehabilitation security by way of cash deposit. As with all mining projects, the projects would be expected to have a variety of environmental impacts should development proceed. There is a risk that owners' rights and environmental requirements may restrict or prevent Godolphin from carrying out its exploration activities.

Godolphin intends to and has conducted its activities in an environmentally responsible manner and in accordance with applicable laws and industry standards. Areas disturbed by Godolphin's activities have been and are rehabilitated as required by applicable laws.

(i) Mining Tax and Royalties

There is a risk that the Commonwealth or New South Wales Governments may seek to introduce further, or increase existing, taxes and royalties.

(j) Encumbrances on Title

Godolphin may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.

(k) Funding

At the date of this Loyalty Options Prospectus, Godolphin has no income-producing assets and will generate losses for the foreseeable future. Until it is able to develop a project and generate appropriate cashflow, Godolphin is dependent upon being able to obtain future equity or debt funding to support long term exploration, after the expenditure of the net proceeds raised under the 16 December 2019 ASX listing of Godolphin. Neither Godolphin nor any of the Directors nor any other party can provide any guarantee or assurance that if further funding is required, such funding can be raised on terms acceptable to Godolphin.

Any additional equity funding will dilute existing Shareholders. Also, no guarantee or assurance can be given as to when a project can be developed to the stage where it will generate positive cashflow. As such, a project would be dependent on many factors, for example exploration success, subsequent mine development, commissioning and operational performance.

Should it choose in future to enter joint ventures, Godolphin may not be able to earn or maintain proposed equity interests in its tenements if it fails to meet the ongoing expenditure commitments. Accordingly, Godolphin may potentially lose entitlement or rights to interests in tenements and projects where ongoing expenditure commitments are not met.

(l) Unforeseen Risks

There may be other risks which the Directors are unaware of at the time of issuing this Loyalty Options Prospectus which may impact on Godolphin and its operations, and on the valuation and performance of Godolphin's Shares.

(m) Contract Risk

The Company has contractual rights with third parties. The Directors are unable to predict the risk of:

- (i) financial failure or default of a party to a contract to which the Company is a related party;
  - (ii) insolvency or managerial failure of a party to a contract to which the Company is a party;
  - (iii) activities, operations or lack thereof that jeopardise the good standing or underlying tenure to which the contract rights of the Company relate;
  - (iv) mechanical, commercial or operating failures of a party to a contract to which the Company is a party which lead to a reduction in value of the Company's rights.
- (n) The occurrence of such an event may result in litigation, loss or variation of the contractual rights or alterations to the plans of the Company, which may, in turn, adversely affect the Company's operations.

### **9.3. General Economic Risks and Business Climate Risks**

Share market conditions may affect the listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) movements in or outlook on interest rates and inflation rates;
- (c) currency fluctuations;
- (d) commodity prices;
- (e) changes in investor sentiment towards particular market sectors; and
- (f) the demand and supply for capital.

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which Godolphin may have an interest.

### **9.4. Exploration, Development, Mining and Processing Risks**

The business of mineral exploration, project development and mining by its nature contains elements of significant risk. Ultimate and continuing success of these activities is dependent on many factors such as:

- (a) the discovery and/or acquisition of economically recoverable ore reserves;
- (b) successful conclusions to feasibility studies;



- (c) access to adequate capital for project development;
- (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (e) securing and maintaining title to tenements and compliance with the terms of those tenements;
- (f) obtaining consents and approvals necessary for the conduct of exploration and mining; and
- (g) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues.

Whether or not income will result from projects undergoing exploration and development programs depends on the successful establishment of mining operations. Factors including costs, integrity of mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

Mining is an industry which has become subject to increasing legislative regulation including but not limited to environmental responsibility and liability. The potential for unforeseen liability is an ever-present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. The introduction of new laws and regulations or changes to underlying policy may adversely impact on the operations of Godolphin.

## 9.5. Native Title Risks

The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on Godolphin's operations and future.

Native Title can be extinguished by valid grants of land or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost their connection with the relevant land or waters.

Native Title is not extinguished by the grant of mining leases, as they are not considered to be grants of exclusive possession. A valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements EL 8323 "Ophir" and EL 8538 "Yeoval" overlap with a registered native title claim. The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. This engagement could cause delays to the Company's plans and/or the Company may incur higher than anticipated costs.

For tenements to be validly granted (or renewed) after 23 December 1996 the special 'right to negotiate' regime established by the Native Title Act must be followed.

It is important to note that the existence of a Native Title claim is not an indication that Native Title in fact exists to the land covered by the claim, as this is a matter ultimately determined

by the Federal Court.

A number of the Tenements contain known aboriginal heritage sites. The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations and may require heritage agreements to be entered into prior to work being undertaken. There is a risk that the negotiation of these agreements could cause delay to the Company's plans.

There are currently no aboriginal heritage agreements or arrangements in place affecting the Tenements, though future negotiations are expected in the course of general exploration. There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

## **9.6. COVID-19 Risks**

You will have all seen the dramatic global response to the spread of the COVID-19 pandemic and the fall in commodity prices and global share markets. These events are serious, almost unprecedented, matters and naturally your Directors and management have taken steps to mitigate their impact on the business.

In terms of COVID-19, management are closely monitoring the threat in NSW. We are adopting a "best practice" approach from a health and safety and business continuity perspective and taking the necessary precautions to look after the wellbeing of our people and those we interact with. This includes strictly following all Federal and NSW Government directives and suggestions.

We are taking a proactive and staged approach to working from home. We are already fully prepared to have all our team working from home, with IT systems, hardware and processes all geared to providing remote working flexibility.

Notwithstanding the actions taken by your Directors and management, there remains uncertainty and risk about the impact of the COVID-19 pandemic on Godolphin's operations and future.

## **9.7. General investment risks**

The risks outlined below are some of the general risks that may affect an investment in the Company.

### **(a) Securities investments and share market conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the securities market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

### **(b) Liquidity risk**

There can be no guarantee that there will be an active market for Shares or that the price

of Shares will increase. There may be relatively few buyers or sellers of Shares on ASX at any given time. This may affect the volatility of the market price of Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less or more than the price paid under the IPO Prospectus offer.

(c) Economic conditions

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the tenements comprising the NSW assets may have to be surrendered or not renewed. General economic conditions may also affect the value of the Company's Shares and its valuation regardless of its actual performance.

## **10. Details of the Bonus Issue**

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### **10.1. The Bonus Issue**

By this Loyalty Options Prospectus the Company is making a pro-rata Bonus Issue based on one Loyalty Option for every three Shares and Options held by Eligible Shareholders and Eligible Option Holders on the Record Date.

Each Loyalty Option will be issued for no consideration and entitle the holder to be issued one Share exercisable at any time within 24 months from the Issue Date, with an exercise price of \$0.20.

Fractional entitlements will be rounded up to the nearest whole number.

The Bonus Issue is only open to Eligible Shareholders and Eligible Option Holders, who are not required to do anything to be issued Loyalty Options.

Holding statements for Loyalty Options will be despatched to Eligible Shareholders and Eligible Option Holders as soon as possible.

All the Shares issued upon the exercise of the Loyalty Options issued under this Loyalty Options Prospectus will rank equally with Existing Shares. The rights and liabilities of the Loyalty Options and underlying Shares are summarised in section 11.

### **10.2. Minimum subscription**

The Bonus Issue is not subject to a minimum subscription.

### **10.3. Entitlement to Bonus Issue**

The Bonus Issue is made to Eligible Shareholders and Eligible Option Holders, who:

- (a) are the registered holder of Shares or Options as at 7:00pm (AEST) on the Record Date; and
- (b) have a registered address in Australia.

### **10.4. No Underwriting**

The Bonus Issue is not underwritten.

### **10.5. Rights trading**

An Eligible Shareholder's and Eligible Option Holder's Entitlements are non-renounceable. Accordingly, there will be no trading of rights on ASX and Eligible Shareholders and Eligible Option Holders will not be able to sell or otherwise transfer their Entitlement or their Loyalty Options.

### **10.6. Bonus Issue outside Australia**

Recipients may not send or otherwise distribute this Loyalty Options Prospectus to any person outside Australia.

## **10.7. Treatment of Ineligible Shareholders**

Given the small number of Ineligible Shareholders and the cost of complying with applicable regulations in those jurisdictions, the Company has decided that it would be unreasonable to extend the Bonus Issue to Ineligible Shareholders. The Loyalty Options Prospectus will not be sent to those Shareholders.

### **(c) Elsewhere**

This Loyalty Options Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Loyalty Options Prospectus or make the Bonus Issue. No action has been taken to register or qualify the Bonus Issue or otherwise to permit an offering any jurisdiction other than as set out in this section.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Recipients may not send or otherwise distribute this Loyalty Options Prospectus to any person outside Australia (other than to Eligible Shareholders).

## **10.8. Beneficial holders, nominees, trustees and custodians**

Nominees and custodians that hold Shares / Options should note that the Bonus Issue is available only to Eligible Shareholders and Eligible Option Holders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Bonus Issue is compatible with applicable foreign laws.

## **10.9. Issue**

The Loyalty Options will be issued in accordance with the ASX Listing Rules and the timetable set out in section 4. Holding statements for the Loyalty Options issued will be mailed in accordance with the ASX Listing Rules and the timetable set out in Section 2.

No Loyalty Options will be allotted and issued on the basis of this Loyalty Options Prospectus later than thirteen months after the date of this Loyalty Options Prospectus.

## **10.10. Quotation**

The Loyalty Options will not be quoted on the ASX.

## **10.11. Market prices of Existing Shares on ASX**

The highest and lowest market sale price of the Existing Shares during the 5 months immediately preceding the lodgement of this Loyalty Options Prospectus with ASIC,

and the last market sale price on the date before the lodgement date of this Loyalty Options Prospectus, are set out below.

	High	Low	Last market sale price
Price	\$0.310	\$0.090	\$0.195
Date	27 December 2019	6 April 2020	29 May 2020

#### 10.12. **CHESS**

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX.

Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including Loyalty Options issued under this Loyalty Options Prospectus. If an investor is broker sponsored, ASPL will send a CHESS statement.

The CHESS statement will set out the number of Loyalty Options issued under this Loyalty Options Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registrar and will contain the number of Loyalty Options issued to you under this Loyalty Options Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders and Option holders at the end of any calendar month during which the balance of their shareholding or option holding changes. Shareholders or Option holders may request a statement at any other time, however, a charge may be made for additional statements.

#### 10.13. **Taxation and duty implications**

The Directors do not consider that it is appropriate to give Shareholders or Option holders advice regarding the taxation consequences of the Company conducting the Bonus Issue under this Loyalty Options Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders and Option holders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders and Option holders in the Bonus Issue. Shareholders and Option holders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Bonus Issue.

No brokerage or stamp duty is payable on the issue of the Loyalty Options under this Loyalty Options Prospectus.

#### 10.14. **Privacy**

The Company collects personal information about each Shareholder and Option holder to administer their security holding in the Company.

By holding Shares or Options, each Shareholder or Option holder agrees that the Company may use the information provided by a Shareholder or Option holder for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Securities Registry, the Company's related body corporates, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder and Option holder (including name, address and details of the Shares or Options held) in its public register. The information contained in the Company's public registers must remain there even if that person ceases to be a Shareholder or Option holder. Information contained in the Company's registers is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

A Loyalty Option holder has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you. Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company privacy policy and as authorised under the Privacy Act 1988 (Cth), the Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- (a) the Securities Registry for ongoing administration of the Shareholder and Option holder registers;
- (b) printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- (c) market research companies for the purpose of analysing the Company's Shareholder and Option holder base and for product development and planning; and
- (d) legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Loyalty Options for associated actions.

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Securities Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Securities Registry as follows:

Automic Pty Ltd

(within Australia): 1300 288 664

Level 5, 126 Phillip Street

(outside Australia): +61 (2) 9698 5414

Sydney NSW 2000

If any of your information is not correct or has changed, please contact the Securities Registry or the Company to update your information. In accordance with the requirements of the Corporations Act, information on the Share Register will be accessible to members of the public.

**10.15. Enquiries**

Any queries regarding the Bonus Issue should be directed to Ian Morgan, Company Secretary on +61 438 948643. You can also contact your stockbroker or professional adviser with any queries in relation to the Bonus Issue.



## 11. Rights and Liabilities attaching to securities

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### 11.1. Rights and liabilities attaching to Loyalty Options

The Loyalty Options are issued on the following terms and conditions:

- (a) Each Loyalty Option entitles the holder to be issued one Share when exercised.
- (b) The Loyalty Options are exercisable at any time on or before 24 months from issue.
- (c) The exercise price of each Loyalty Option is \$0.20 each.
- (d) The Loyalty Options will not be quoted, so are not transferrable on ASX.

The Company will provide to each Loyalty Option holder a notice that is to be completed when exercising the Loyalty Options (**Notice of Exercise**). Loyalty Options may be exercised by the Loyalty Option holder in whole or in part by completing the Notice of Exercise and forwarding to the Company Secretary to be received prior to the expiry date. The Notice of Exercise must state the number of Loyalty Options exercised, the consequent number of Shares to be allotted and the identity of the proposed allottee. The Notice of Exercise by a Loyalty Option holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of the exercise price per Share.

All Shares issued upon the exercise of the Loyalty Options will rank equally in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of all Shares issued upon exercise of Loyalty Options.

There are no participating rights or entitlements inherent in the Loyalty Options and the holders will not be entitled to participate in new issues or pro-rata issues of capital to Shareholders during the term of the Loyalty Options. Thereby, the Loyalty Option holder has no rights to a change in the exercise price of the Loyalty Option or a change to the number of underlying securities over which the Loyalty Option can be exercised except in the event of a bonus issue. The Company will ensure, for the purposes of determining entitlements to any issue, that Loyalty Option holders will be notified of a proposed issue after the issue is announced. This will give Loyalty Option holders the opportunity to exercise their Loyalty Options prior to the date for determining entitlements to participate in such issues.

#### Adjustment for Bonus Issues of Shares

If Godolphin makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Loyalty Option will be increased by the number of Shares which the Loyalty Option holder would have received if the Loyalty Option holder had exercised the Loyalty Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

#### Adjustment for Entitlements Issue

If Godolphin makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue) there will be no adjustment of the Exercise Price of a Loyalty Option or the number of Shares over which the Loyalty Options are exercisable.

#### Adjustments for Reorganisation

In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the issued capital of the Company, all rights of the Loyalty Option holder shall be reconstructed (as appropriate) in accordance with the ASX Listing Rules.

### **11.2. Rights and liability attaching to Shares**

Full details of the rights and liabilities attaching to the Shares issued upon exercise of Loyalty Options are:

- detailed in the Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

The following is a summary of the principal rights which are proposed to attach to Shares:

#### (a) Voting

Subject to the Constitution, the Corporations Act, article 6.17 (multiple votes) and any rules prescribed by the Directors pursuant to article 6.15 (direct voting) and to any rights or restrictions for the time being attached to any class or classes of shares:

- (i) on a show of hands, each member present in person and each other person present as a proxy, attorney or Representative of a member has one vote; and
- (ii) on a poll:
  - a. each member present in person has one vote for each fully paid share held by the member;
  - b. each person present as proxy, attorney or representative of a member has one vote for each fully paid share held by the member that the person represents; and
  - c. each member who has duly lodged a valid direct vote in respect of the relevant resolution has one vote for each fully paid share held by the Member.

#### (b) Dividends

Subject to the Corporations Act, the Constitution and the terms of issue or rights

of any Shares with special rights to dividends, the Directors may determine or declare that a dividend is payable, fix the amount and the time for payment and authorise the payment or crediting by the Company to, or at the direction of, each member entitled to that dividend. The Directors may rescind or alter any such determination or declaration before payment is made.

(c) Transfer of Shares

Subject to the Constitution and the Listing Rules, a share in the Company is transferable:

- (i) as provided by the Operating Rules of an applicable CS Facility; or
- (ii) by any other method of transfer which is required or permitted by the Corporations Act and any relevant securities exchange.

If permitted by the Listing Rules, the Directors may:

- (i) request any applicable CS Facility Operator to apply a holding lock to prevent a transfer of shares in the Company from being registered on the CS Facility's sub register; or
- (ii) refuse to register a transfer of shares in the Company to which paragraph (i) does not apply.

(d) Meetings and notice

Each Godolphin Shareholder is entitled to receive notice of and to attend general meetings for Godolphin and to receive all notices, accounts and other documents required to be sent to Godolphin Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(e) Liquidation rights

Godolphin has only issued one class of Shares, which all rank equally in the event of liquidation.

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the members or different classes of members.

The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no member is compelled to accept any Shares or other securities in respect of which there is any liability.

(f) Godolphin Shareholder liability

Godolphin Shares are fully paid shares and are not subject to any calls for money by the Godolphin Directors and will therefore not become liable for forfeiture.

(g) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at a general meeting. At least 28 clear days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(h) Listing Rules

While the Company is on the official list of the ASX:

- (i) despite anything contained in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done;
- (ii) nothing contained in the Constitution prevents an act being done that the Listing Rules require to be done;
- (iii) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done as the case may be;
- (iv) if the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is taken to contain that provision;
- (v) if the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is taken not to contain that provision; and
- (vi) if any provision of the Constitution is or becomes inconsistent with the Corporations Act, the Listing Rules or the Operating Rules, the Constitution:
  - a. is taken to be read down to the extent of the inconsistency; or
  - b. if the relevant provision is not capable of being read down to the extent of the inconsistency, then the Constitution is taken not to contain that provision to the extent of the inconsistency.

## 12. Additional Information

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### 12.1. Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The Shares underlying the Loyalty Options to be issued under this Loyalty Options Prospectus are in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus.

This Loyalty Options Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of Loyalty Options on the Company and the rights attaching to the Loyalty Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Loyalty Options Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's IPO Prospectus to the issue of this Loyalty Options Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Loyalty Options Prospectus other than that which is considered necessary to make this Loyalty Options Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of any of the following documents, free of charge, to any

person on request between the date of issue of this Loyalty Options Prospectus and the Closing Date:

- (i) Quarterly activities and cash flow reports lodged with the ASX by the Company after the lodgement of IPO Prospectus and before the lodgement of this Loyalty Options Prospectus;
- (ii) the half-year financial report lodged with ASIC by the Company after the lodgement of IPO Prospectus and before the lodgement of this Loyalty Options Prospectus;
- (iii) any continuous disclosure notices given by the Company after the lodgement of the financial report referred to in paragraph (i) and before the lodgement of this Loyalty Options Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours.

The Company has lodged the following announcements with ASX since its listing on 16 December 2019:

Date	Description of Announcement
21/05/2020	Copper Hill East RC Drilling Planned to Commence July 2020
07/05/2020	Copper Hill East Soil Anomaly Extended
06/05/2020	Initial Director's Interest Notice - Menzies
06/05/2020	Initial Director's Interest Notice - Read
06/05/2020	Final Director's Interest Notice - Stewart
06/05/2020	Final Director's Interest Notice - Sykes
05/05/2020	Market Update
01/05/2020	Godolphin Board Changes
28/04/2020	Quarterly Activities and Cash Flow Reports March 2020
20/04/2020	Drilling at Mt Aubrey Confirms Epithermal Gold System
03/04/2020	Appendix 2A
20/03/2020	Becoming a substantial holder O'Shannassy
12/03/2020	Interim Financial Report 31 December 2019
11/03/2020	Copper Hill East Soil Anomalies Generate Drill Targets

Date	Description of Announcement
24/02/2020	Copper Hill East Project Drill Targets Identified
17/02/2020	Gundagai North and South Prospects
29/01/2020	Quarterly Activities and Cash Flow Reports December 2019
21/01/2020	Change of Company Secretary
23/12/2019	Becoming a substantial holder
19/12/2019	Godolphin successfully listed - drilling commences Jan 2020
18/12/2019	Initial Director's Interest Notice x 3
16/12/2019	Confirmation Statements
16/12/2019	Top 20 Holders
16/12/2019	Distribution Schedule
16/12/2019	Employee Securities Incentive Plan
16/12/2019	Securities Trading Policy
16/12/2019	Updated Pro-forma Statement of Financial Position
16/12/2019	Constitution
16/12/2019	Prospectus
16/12/2019	Appendix 1A and Information Form and Checklists
16/12/2019	Admission and Commencement of Quotation

Publicly available information about the Company is available at [www.asx.com.au](http://www.asx.com.au)

## 12.2. Directors' interests

A total of 1,000,000 Incentive Options were granted to Directors. Details relating to the Incentive Options are below.

The Incentive Options were granted at no cost to the recipient. The fair value of the Incentive Options at the Grant Date is determined using the Black Scholes model. The Incentive Options' expense for the interim period to 31 December 2019 totals \$70,550.

No terms of equity settled share-based payment transactions (including Incentive Options granted as compensation to key management persons) have been altered or modified by the issuing entity to the date of this Loyalty Options Prospectus.

Other than as disclosed in this Loyalty Options Prospectus, there are no entitlements for the Company's Option holders to participate in new issues of capital which may be offered to the Company's existing ordinary Shareholders.

The Group prohibits those that are granted share-based payments as part of their remuneration from entering other arrangements that limit their exposure to losses that would result from share price decreases. Entering such arrangement is prohibited by law.

As at the date of this Loyalty Options Prospectus the Directors have a relevant interest in securities of the Company and remuneration as set out below.

Director	Current holdings (Direct and Indirect)		Entitlement
	Shares	Incentive Options	Loyalty Options
	Number	Number	Number
Jeremy Read	Nil	Nil	Nil
Ian Buchhorn	6,699,849	250,000	83,333
Douglas Menzies	Nil	Nil	Nil
Mark Sykes (as at 30 April 2020)	150,000	500,000	166,667
Andrew Stewart (as at 30 April 2020)	50,000	250,000	83,333

**Jeremy Read (appointed 1 May 2020)**

Effective 1 May 2020, the Company agreed to utilize the services of Mr Read as the Company's non-executive chairman, for a fee of \$60,000 per annum excluding compulsory superannuation and any goods and services tax. Effective 1 May 2020, Mr Read agreed that the Company accrue 50% of his fee for an interim period, until the financial markets recover.

**Douglas Menzies (appointed 1 May 2020)**

Effective 1 May 2020, the Company agreed to utilize the services of Mr Menzies as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax. Effective 1 May 2020, Mr Menzies agreed that the Company accrue 50% of his fee for an interim period, until the financial markets recover.

**Ian Buchhorn (appointed 19 June 2019)**

Effective 18 December 2019, the Company agreed to utilize the services of Mr Buchhorn as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax. Effective 1 May 2020, Mr Buchhorn agreed that the Company accrue 50% of his fee for an interim period, until the financial markets recover.

**Mark Sykes (appointed 19 June 2019 resigned 30 April 2020)**

Prior to the Company being admitted to the ASX's official list on 16 December 2019, the Company had a consulting arrangement with an entity related to Mr Sykes, to facilitate the Company's IPO.



The agreed consulting rate was \$1,500 per day including compulsory superannuation and excluding any goods and services tax. Consulting fees for the period totaled \$53,332.

Effective 18 December 2019, the Company agreed to utilize the services of Mr Sykes as the Company's non-executive chairman, for a fee of \$60,000 per annum excluding compulsory superannuation and any goods and services tax.

**Andrew Stewart (appointed 3 October 2019 resigned 30 April 2020)**

Effective 18 December 2019, the Company agreed to utilize the services of Mr Stewart as the Company's non-executive director, for a fee of \$45,000 per annum excluding compulsory superannuation and any goods and services tax.

The following related party transaction charges for Directors' fees, consulting fees, underwriting fee and loan advanced to the Group were made with the Group on normal terms and conditions and in the ordinary course of business:

	Transaction Value for period 19 June 2019 to 31 Dec 2019	Balance Outstanding as at 31 Dec 2019	Terms
	\$	\$	
Cash			
Remuneration			
Directors' Fees	3,952	3,952	Payable on demand
Consulting Fees	53,332	19,875	
	<u>57,284</u>	<u>23,872</u>	
Non-cash			
Remuneration			
Incentive Options	70,550	-	

The Company has entered into deeds of indemnity, insurance and access with each of its Directors. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or a related body corporate (subject to customary exceptions). The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers and other documents provided to the Board in certain circumstances.

The Deeds also grant each Director a right of access to certain records of the Company for a period of up to 7 years after the Director ceases to be an officer of the Company.

The Constitution of the Company provides that the Directors may be paid for their services as Directors. Non-executive directors may only be paid a yearly sum not exceeding such the aggregate sum from time to time determined by the Company in general meeting, or until so determined, as the Directors resolve. At a meeting held 3 October 2019, the sole Shareholder resolved as an ordinary resolution to set the maximum total aggregate amount of fees payable to non-executive Directors at \$500,000 per annum.

The amount of the remuneration of the Directors is to be divided among them in the proportion and manner they agree or, in default of agreement, among them equally.

The Company may pay or agree to pay, whether directly or through an interposed entity, a premium for a contract insuring a person who is or has been a Director or

Secretary or officer of the Company or of a subsidiary of the Company against liability incurred by the person in that capacity, including a liability for legal costs, unless:

- (a) the Company is forbidden by law to pay or agree to pay the premium; or
- (b) the contract would, if the Company paid the premium, be made void by law.

Other than as set out above or elsewhere in this Loyalty Options Prospectus, no Director or proposed Director holds at the date of this Loyalty Options Prospectus, or held at any time during the last 2 years before the date of lodgement of this Loyalty Options Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company; or
- (b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Bonus Issue,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (c) to a Director or proposed Director or to any firm which any such Director is a partner, to induce him or her to become, or to qualify as, a Director; or
- (d) for services provided by a Director or proposed Director or to any firm which any such Director is a partner, in connection with the formation or promotion of the Company or the Bonus Issue.

### **12.3. Interests of promoters and named persons**

Except as disclosed in this Loyalty Options Prospectus, no expert, promoter or any other person named in this Loyalty Options Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Loyalty Options Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Loyalty Options Prospectus, any interest in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Bonus Issue; or
- (c) the Bonus Issue.

MARQUE Lawyers Pty Ltd has acted as solicitors to the Bonus Issue. In respect of this work, the Company will pay approximately \$14,500 exclusive of GST. Subsequently fees will be paid in accordance with normal hourly rates.

MARQUE Lawyers Pty Ltd provided no services to the Company, and charged no fees, in the 2 years prior to the date of this Loyalty Options Prospectus.

### **12.4. Consents**

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Loyalty Options Prospectus with ASIC withdrawn their written consent:

- (i) to be named in the Loyalty Options Prospectus in the form and context which it is named; and
  - (ii) where applicable, to the inclusion in this Loyalty Options Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Loyalty Options Prospectus;
- (b) has not caused or authorised the issue of this Loyalty Options Prospectus;
  - (c) has not made any statement in this Loyalty Options Prospectus or any statement on which a statement in this Loyalty Options Prospectus is based, other than specified below; and
  - (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Loyalty Options Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) made in connection with their role as specified below and included in this Loyalty Options Prospectus with the consent of that person.

Name	Role
MARQUE Lawyers Pty Ltd	Lawyer
Automic Pty Ltd	Securities Registry
Butler Settineri (Audit) Pty Ltd	Auditor
David Greenwood	Chief Executive Officer
Ian Morgan	Company Secretary

## 12.5. Expenses of the Bonus Issue

Assuming Full Subscription, the total estimated expenses of the Bonus Issue are as set out below:

Cost (excluding GST) <sup>9</sup>	(approximately) (\$)
Legal fees	14,500
ASIC fee	3,206
Printing, postage expenses	17,661
Other expenses	5,000
<b>Total</b>	<b>40,367</b>

<sup>9</sup> These costs have or will be paid by the Company.



**12.6. Litigation**

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company or its subsidiaries is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or its subsidiaries.

### **13. Directors' responsibility and consent**

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Each Director has consented to the lodgement of this Loyalty Options Prospectus with the ASIC and has not withdrawn that consent.

Dated: 1 June 2020

A handwritten signature in blue ink, appearing to read "J Read", is positioned below the text. The signature is cursive and fluid.

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Signed for and on behalf of Godolphin Resources Limited by Jeremy Read Chairman

## 14. Glossary

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Where the following terms are used in this Loyalty Options Prospectus they have the following meanings:

\$, A\$ or Dollars	Australian dollars unless otherwise stated.
AEST	Australian Eastern Standard Time
Anti-Dilution Options	means Options to be issued Directors and employees of the Company after admission of the Company to the Official List subject to the Listing Rules on the terms set out in the IPO Prospectus Section 7.2.
Ardea	means Ardea Resources Limited (ACN 614 289 342)
ASIC	the Australian Securities & Investments Commission.
ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.
Board	the board of Directors.
Bonus Issue	the issue of Loyalty Options to Eligible Shareholders pursuant to this Loyalty Options Prospectus on the basis of 1 Loyalty Option for every 3 Shares held on the Record Date.
Business Day	Monday to Friday inclusive, except any day that ASX declares is not a business day.
CEO	means the chief executive officer, Mr David Greenwood.
Closing Date	the date set out in section 2.
Company or Godolphin	Godolphin Resources Limited (ACN 633 779 950).
Consideration Options	means Options issued to Ardea in consideration for the NSW Assets on the terms set out in Section 7.2 of the IPO Prospectus.
Consideration Option Holder	means a holder of Consideration Options.
Constitution	the constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth), as amended.
CS Facility	has the same meaning as prescribed CS facility in the Corporations Act.
Deeds	the indemnity, insurance and access deeds between the Company and each of the Directors.
Director	a director of the Company, as determined from time to time.
Eligible Option Holders	a Consideration Option Holder, Incentive Option Holder and an Employee Option Holder as at the Record Date with a registered address in Australia.
Eligible Shareholders	a Shareholder as at the Record Date with a registered address in Australia.
Employee Options	means Options issued to employees and the CEO of the Company on the terms and conditions in Section 7.2 of the IPO Prospectus.

Employee Option Holder	means a holder of Employee Options.
Exercise Price	means \$0.20 per Loyalty Option.
Entitlement	the number of Loyalty Options to which an Eligible Shareholder is entitled under the Bonus Issue on the basis of 1 Loyalty Option for every 3 Shares held by the Eligible Shareholder on the Record Date.
Existing Share	a Share held as at 7:00pm (AEST) on the Record Date.
Existing Option	an Option held as at 7:00pm (AEST) on the Record Date.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Incentive Options	means Options issued to Directors on the terms and conditions in Section 7.2 of the IPO Prospectus.
Incentive Option Holder	means a holder of Incentive Options.
IPO Prospectus	means the Company's prospectus dated 29 October 2019.
Listing Rules	the listing rules of the ASX.
Loyalty Options	means an Option to be issued pursuant to this Loyalty Options Prospectus.
Loyalty Options Prospectus	this prospectus and includes the electronic prospectus.
Official List	the official list of the ASX.
Operating Rules	means the operating rules of a CS Facility regulating the settlement, clearing and registration of uncertificated shares as amended, varied or waived (whether in respect of the Company or generally) from time to time.
Option	an option to purchase a Share.
Record Date	the date set out in section 2.
Securities Registry	Automic Pty Ltd ACN 152 260 814
Share	a fully paid ordinary share in the Company.
Shareholder	the registered holder of Shares in the Company.
US Person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	the United States Securities Act of 1933, as amended.



## 15. Unaudited Consolidated Statement of Financial Position

### 15.1. Un-Audited Pro-Forma Balance Sheet

Audit Reviewed 31 December 2019	Note	Pro-forma Adjustments				Unaudited Pro-forma Financial Information 30 April 2020
		A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
<b>CURRENT ASSETS</b>						
Cash and cash equivalents		6,142.8	-	-	(40.4)	6,102.4
Prepayments and other receivables		62.9	-	-	-	62.9
<b>TOTAL CURRENT ASSETS</b>		<b>6,205.7</b>	<b>-</b>	<b>-</b>	<b>(40.4)</b>	<b>6,165.3</b>
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	1	376.5	-	-	-	376.5
Exploration and evaluation costs		7,498.6	204.6	(43.2)	-	7,660.0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>7,875.1</b>	<b>204.6</b>	<b>(43.2)</b>	<b>-</b>	<b>8,036.5</b>
<b>TOTAL ASSETS</b>		<b>14,080.8</b>	<b>204.6</b>	<b>(43.2)</b>	<b>(40.4)</b>	<b>14,201.8</b>
<b>CURRENT LIABILITIES</b>						
Trade and other payables		185.6	-	-	-	185.6
Loan payable		154.1	-	(154.1)	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>339.7</b>	<b>-</b>	<b>(154.1)</b>	<b>-</b>	<b>185.6</b>
<b>NON-CURRENT LIABILITIES</b>						
<b>TOTAL LIABILITIES</b>		<b>339.7</b>	<b>-</b>	<b>(154.1)</b>	<b>-</b>	<b>185.6</b>
<b>NET ASSETS</b>		<b>13,741.1</b>	<b>204.6</b>	<b>110.9</b>	<b>(40.4)</b>	<b>14,016.2</b>
<b>EQUITY</b>						
Contributed equity	2	12,738.9	(926.9)	110.9	(40.4)	11,882.5
Reserve	3	1,272.4	1,172.4	-	-	2,444.8
Accumulated losses		(270.2)	(40.9)	-	-	(311.1)
<b>TOTAL EQUITY</b>		<b>13,741.1</b>	<b>204.6</b>	<b>110.9</b>	<b>(40.4)</b>	<b>14,016.2</b>

### 15.2. Note 1 – Property Plant and equipment

	A\$'000
Freehold Land	367.0
Plant and Equipment – written down value	9.5
	<b>376.5</b>

### 15.3. Note 2 – Contributed Equity

	Number of Shares	A\$'000
Balance on incorporation 19 June 2019	100	0.1
Issue of Shares to Ardea shareholders 4 December 2019	30,000,000	6,000.0
Issue of Shares (IPO) 5 December 2019	37,402,500	7,480.5
Loan repayment	554,551	110.9
	<u>67,957,151</u>	<u>13,591.5</u>
Less: Capital raising costs	-	(1,709.0)
	<u><b>67,957,151</b></u>	<u><b>11,882.5</b></u>

### 15.4. Note 3 – Option Reserve

	Note	Number of Options	A\$'000
Issue of Options (IPO) 5 December 2019	4	<u>20,000,000</u>	<u>1,272.4</u>
Issue of Loyalty Options			
Eligible Shareholders		22,652,383	926.9
Consideration Options		5,000,000	204.6
Employee Options		666,667	27.3
Incentive Options		<u>333,333</u>	<u>13.6</u>
	4	<u>28,652,383</u>	<u>1,172.4</u>
		<u><b>48,652,383</b></u>	<u><b>2,444.8</b></u>

### 15.5. Note 4 Black Scholes valuation methodology

The Black Scholes valuation methodology has been used to value the options issued during the reporting period. The following table lists the inputs used to value the options issued.

	Issue of Options (IPO)	Issue of Loyalty Options
Number of options	20,000,000	28,652,383
Method adopted	Black Scholes	Black Scholes
Average volatility (%)	56.1%	85.0%
Average risk-free interest rate (%)	0.015%	0.22%
Average expected life of option (years)	3.0	2.0
Exercise price	\$0.250	\$0.200
Share price at grant date	\$0.200	\$0.099
Average value per option	\$0.06362	\$0.04092