

Godolphin Resources Limited

Uncovering precious and critical metals in central NSW

Godolphin Resources Limited (ASX:GRL) is an ASX-listed green metals and critical minerals explorer with a focus on central west New South Wales. The company's projects include the Narraburra rare earths element (REE) project, the Goodrich copper prospect, the Yeoval copper-gold-molybdenum project and the Gundagai gold project. The projects are predominantly located on the Lachlan Fold Belt, a highly prospective province for the discovery of rare earth elements, copper, gold and base metal deposits. The company is deploying a multi-discovery strategy on a pipeline of projects with low capital entry costs. Consistent with this strategy, the company recently announced (ASX release 20 December 2023) the sale of its 100%-owned Lewis Ponds project for a total cash consideration of \$11m, strengthening the balance sheet to advance its critical minerals-focused exploration strategy.

Portfolio description

Godolphin Resources holds tenements over 3,500km² of highly prospective ground in the Lachlan Fold Belt, known for its REE, copper and gold prospectivity. The company's most advanced project is the Narraburra rare earths project which has a mineral resource estimate (MRE) of 94.9Mt at 739 parts per million (PPM) total rare earth oxide (TREO) including a higher-grade component of 20Mt at 1,079ppm TREO. The company has bolstered its portfolio with additional exploration licences around Narraburra, securing a new exploration licence (Cambrai), to the west of Narraburra, in the last quarter and announcing on 15 February that it had secured another exploration licence (Trungley), which surrounds Narraburra to the north, south and east. GRE also holds the Goodrich, Cyclops and Yeoval copper, gold and base metal prospects in the Lachlan Fold Belt. A two-hole diamond drilling programme at Goodrich in the last quarter confirmed near surface, high-grade copper mineralisation with the best intersections showing 91m at 0.18% Cu (copper) and 0.15g/t Au (gold) from 152m to 243m and 80m at 0.10% Cu and 0.13g/t Au from 57.8m to 138m. GRL's eight-hole drilling programme at Cyclops recorded 18m at 0.41% Cu from 32m including 6m at 1.21% CU from 32 to 38m and 0.03g/t AU.

Narraburra rare earths recoveries in the 90%+ range

Recent metallurgical testing of Narraburra's rare earth element mineralisation by the Australian Nuclear Science and Technology Organisation (ANSTO) highlighted recoveries of up to 95% for key magnet REEs including individual element recoveries of praseodymium (92%), neodymium (95%) terbium (91%) and dysprosium (93%). The results confirm that the REEs are leachable under relatively mild acidic conditions which supports the premise that Narraburra should be amenable to lower-cost processing methods relative to other REE projects.


Several listed peers in the green technology metals sector

Green technology metals and rare earths peers include Globe Metals & Mining (ASX:GBE), Green Technology Metals (ASX:GT1) and RareX (ASX:REE). GBE and REE are further advanced in their core projects and respectively trading on EV/NPV_s multiples of ~0.02x and ~0.06x (RaaS calculated). We believe ongoing demand for rare earths and critical minerals is likely to keep investor interest in this space.

Share Details

ASX code	GRL
Share price (28-Feb)	\$0.032
Market capitalisation	\$5.4M
Number of shares	169.2M
Net cash at 31-Dec-2023	\$1.2M

Share Price Performance (12 months)



Upside Case

- Significantly improved cash position supports continuing exploration programme
- Substantial exploration upside identified
- Commodity prices strengthen

Downside Case

- Exploration programmes at Goodrich and Yeoval fail to deliver significant results
- Commodity prices weaken
- Cash position makes the company a takeover target before full potential realised

Catalysts

- Incremental and ongoing positive exploration results
- Completion of sale of Lewis Ponds
- Extension of the Narraburra MRE with exploration at surrounding tenements of Cambrai and Trungley

Comparative Companies (Australia & NZ)

GBE, GRE, GT1, REE

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FINANCIAL SERVICES GUIDE

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