

Date: 26 October 2020

ASX Code: MAN

Capital Structure

Ordinary Shares: 312,349,843
Unlisted Options: 161,000,077
(3c exercise)
Current Share Price: 6c
Market Capitalisation: \$18.7M
Cash: \$4.2M
Debt: Nil

Directors

Patrick Burke
Non-Executive Chairman

James Allchurch
Managing Director

Ben Phillips
Non-Executive Director

Lloyd Flint
Company Secretary

Contact Details

Ground Floor
24 Outram Street
West Perth WA 6005
Australia
Tel: +61 9200 3743
mandrakeresources.com.au

Mandrake Acquires 100% of Jimperding Project

Highlights

- **Mandrake has agreed to purchase 100% of ELA 70/5345 (the Jimperding Project) from its joint venture partner**
- **The 100% acquisition gives Mandrake immediate full exposure to the highly prospective Newleyne target and broader Jimperding Project targets whilst removing the burden of free-carrying a JV partner**
- **Grant of ELA 70/5345 expected in the current quarter, drill programme has been finalised - permitting well advanced**
- **\$4.2M cash at bank**

Mandrake Resources Limited (ASX: MAN) (Mandrake or the Company) is pleased to advise that it has entered into a Binding Agreement with Andean Energy Resources Pty Ltd (AER) to purchase 100% of exploration licence application (ELA) 70/5345 (Jimperding Project), in the Jimperding Metamorphic Belt located 70km north east of Perth, Western Australia.

The Jimperding Project lies approximately 30km east of Chalice Gold Mines Limited's (Chalice) Julimar Ni-Cu-PGE discovery announced on 23 March 2020. The 140km² ELA comprising the Jimperding Project was applied for on 4 March 2020. Grant of ELA 70/5345 is expected in the current quarter. Permitting for drilling the Newleyne prospect is well advanced.

The 100% acquisition of the Jimperding Project gives Mandrake full control as well as full immediate exposure to its exciting Newleyne Prospect (see Table 1) as well as the broader targets within the 140km² Jimperding Project. Mandrake has recently engaged a contractor to undertake a helicopter-borne electro-magnetic survey over the entire Jimperding Project in order to generate more targets prospective for 'Julimar style' mineralisation.

Acquisition Terms

Mandrake has executed a Binding Agreement (BA) with AER to purchase 100% of ELA 70/5345. The consideration for the purchase is:

- Issue of 4.5 million ordinary shares to AER upon execution of the BA; and
- Issue of a further 4.5 million ordinary shares to AER upon grant of ELA 70/5345 (subject to 6 months escrow from the date of issue).

Both parties have agreed to terminate the farm-in Heads of Agreement governing the previous farm-in arrangement which required Mandrake to spend \$300,000 to earn 80% of ELA 70/5345 and then free carry AER to completion of a bankable feasibility study.

Table 1. Comparison between Newleyine and the Julimar discovery (CHN)

Attributes		Julimar Discovery (CHN)	Newleyine Prospect (MAN)	Comments
i.	Jimperding Metamorphic Belt			<ul style="list-style-type: none"> Newleyine 30km east of Julimar
ii.	Serpentinite ultramafic interlayered with gabbro sub-units with BIF	✓	✓	<ul style="list-style-type: none"> Newleyine pegged prior to Julimar discovery
	Distinct high intensity ovoid magnetic anomaly in airborne and ground magnetics	✓	✓	<ul style="list-style-type: none"> Magnetic bullseye feature Distinct internal complexity/character of ground mag at Newleyine
	Surface rock chips highly anomalous for PGEs, Ni and Cu	✓	✓	<ul style="list-style-type: none"> 186 rock chip samples collected at Newleyine up to 0.36g/t Pd, 0.27g/t Pt, 0.65% Ni and 0.19% Cu¹
	Broad drilling intersections carrying Ni grades above 1,000ppm	✓	✓	<ul style="list-style-type: none"> Historical drilling at Newleyine not assayed for PGEs Historical Newleyine drilling to 1.18% Ni and 1,200 ppm Cu Broad mineralised intersections at Newleyine: <ul style="list-style-type: none"> 240m at 2,400 ppm Ni and 300ppm Cu²
	Multiple discrete moderately to highly conductive ground EM anomalies	✓	✓	<ul style="list-style-type: none"> Newleyine EM anomalies yet to be drilled
	Significant PGE discovery	✓	?	<ul style="list-style-type: none"> Drill planning and application for approvals underway

¹ See ASX releases dated 6 July 2020 and 28 July 2020

² Second Quarter Report - North Flinders Mines Limited Joint Venture Prospecting Programme (Fehlberg, 1978).

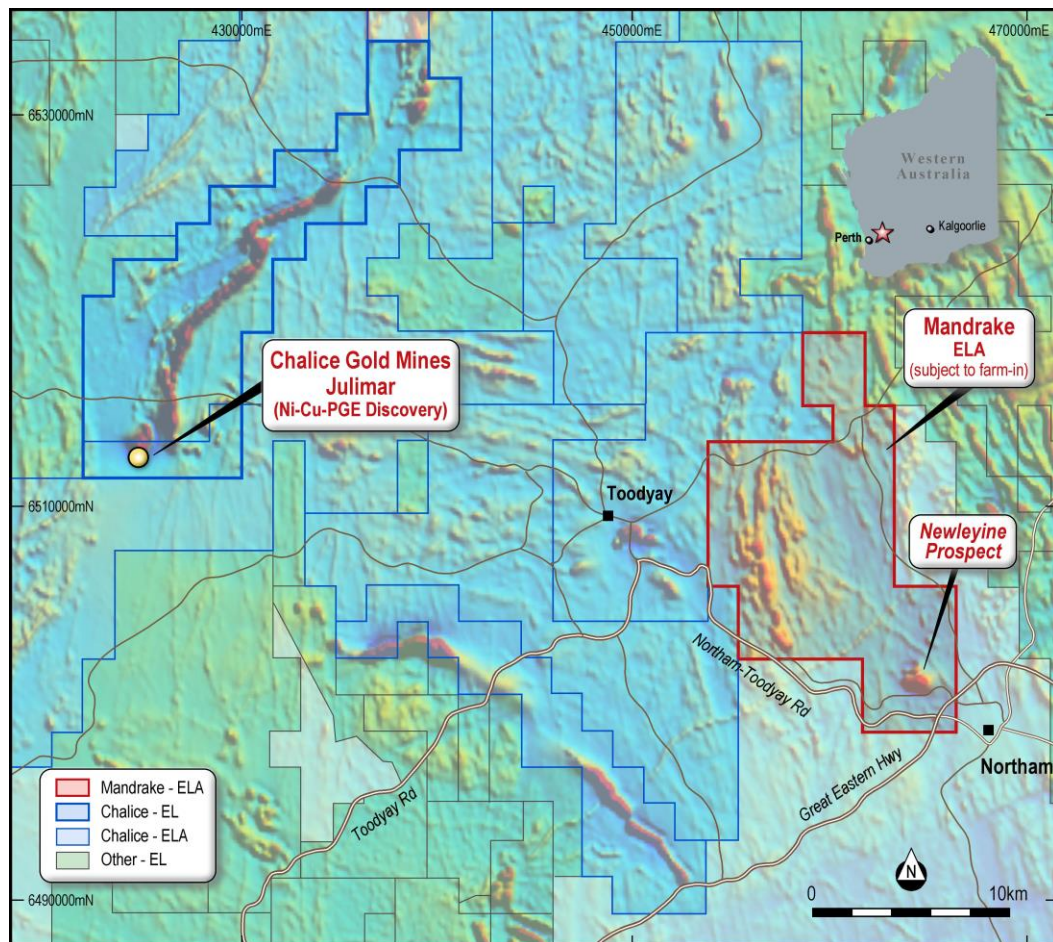


Figure 1 - Regional Aeromagnetics – Jimperding Project

About Mandrake Resources

Mandrake is a junior exploration company established with the purpose of exploring and developing gold, nickel, copper and PGE opportunities. The Company recently entered into an agreement to earn-in to exploration tenure prospective for Ni/Cu/PGEs in the exciting Jimperding Metamorphic Belt, 70km NE of Perth.

Mandrake also owns a mineral exploration project located in the prolific Pine Creek Orogen of the Northern Territory prospective for gold, silver and base metals.

For further information visit www.mandrakeresources.com.au

Competent Persons Statement

The technical information in this announcement complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Mr James Allchurch, Managing Director of Mandrake Resources. Mr Allchurch is a Member of the Australian Institute of Geoscientists. He 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 JORC Code. Mr Allchurch consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.