

ASX Announcement

30 April 2021

QUARTERLY REPORT

ASX Code: MAN

For the period ended 31 March 2021

Capital Structure

Ordinary Shares: 375,399,843
Unlisted Options: 111,450,077
(3c exercise)
Current Share Price: 20.5c
Market Capitalisation: \$77.0M
Cash: \$4.7M
Debt: Nil

Directors

Patrick Burke
Non-Executive Chairman

James Allchurch
Managing Director

Lloyd Flint
Non-Executive Director/
Company Secretary

Contact Details

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Australia

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mandrakeresources.com.au**Highlights****Jimperding Project**

- **Drilling at the highly prospective Newleyine Ni-Cu-PGE target, located 30km from Chalice's exciting Julimar discovery, expected to commence in May 2021**
- **Drilling will test three discrete late-time EM bedrock anomalies that geophysical interpretation suggests could be the response of massive sulphides consistent with Julimar-style PGE-Ni-Cu mineralisation**
- **Airborne electromagnetic survey (AEM) interpretation identifies numerous strong EM conductors across the Jimperding Project**
- **Several outstanding late-time EM conductors associated with mapped metamorphic rocks and magnetic features undergoing detailed follow-up work**
- **Land Access Agreement and binding Purchase Option executed with the Newleyine private landholder providing Mandrake the option to purchase the property and mineral rights in the event of a discovery - significantly de-risks any potential future development**

Berinka Pine Creek Gold Prospect

- **Further drilling programme scheduled for June 2021 to follow up high grade copper and gold results from 2020:**
 - **3m @ 1.8g/t Au, 32 g/t Ag and 2.1% Cu from 124m including;**
 - **1m @ 3.7 g/t Au, 69 g/t Ag and 3.1% Cu from 124m**

During the March 2021 quarter, Mandrake Resources Limited (ASX: MAN) (Mandrake or the Company) continued to advance the Jimperding Project located in the Jimperding Metamorphic Belt 70km north east of Perth, WA.

Exploration Activities - Jimperding Project

The Jimperding Project lies approximately 30km east of Chalice Mining Limited's (Chalice) Julimar Ni-Cu-PGE discovery. Activities during the quarter comprised permitting and preparation activities for drilling at Newleyine as well as detailed geological mapping and sampling of other prospects identified by the large airborne electromagnetic (AEM) survey covering the entire Jimperding Project.

Newleyine Ni-Cu-PGE Prospect

Drilling

Drill permitting activities pertaining to the drilling of the Newleyine prospect have occupied the latter half of the March 2021 quarter. The status of Newleyine being private property and 'mineral rights to owner' (ie all minerals with the exception of gold, silver and precious metals are owned by the property owner and not the Crown) created some additional hurdles in attaining the inclusion of access to this private property on the grant of exploration licence E70/5345. This inclusion is a requirement for the approval of a Plan of Work (drill permit) and has now been achieved.

The Plan of Work has been submitted to the Department of Mines, Industry Regulation and Safety with drilling now expected to commence next month.

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

Attributes	Julimar Discovery (CHN)	Newleyine Prospect (MAN)	Comments
i. Jimpending 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"> Drilling May 2021

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).

Newleyine Land Access and Purchase Agreement Secured

During the March 2021 quarter Mandrake entered into a binding Access, Compensation and Consent Deed (Land Access Agreement) with the private property owner at Newleyine that will facilitate drilling of the Newleyine prospect.

Pursuant to the Land Access Agreement, Mandrake will pay the property owner \$20,000 for access for the first year, with an option to secure a second year for a further \$20,000.

Property Purchase Option

Mandrake has also executed a Property Purchase Option (Option) that provides Mandrake with the option to purchase the Newleyine ~377 hectare property and the associated mineral rights (with the exception of gold, silver and precious metals, all mineral rights are owned by the property owner).

The Option is vital in that it provides line-of-sight to acquiring the property and associated mineral rights in the event of a commercial discovery and eliminates any potential property or access related obstacles that may impede or prevent development of the project.

Option Terms

A non-refundable option fee of \$230,000 per annum (for a maximum of 2 years) provides Mandrake with the exclusive option to purchase the Newleyine property and associated mineral rights on the following terms:

- Purchase price for the property (~377 hectares) and associated mineral rights - \$8,000,000
- Royalty of 5% - Royalty for all minerals not owned by the State calculated on the same basis as if they were owned by the State

Note that the Option will only be exercised in the event of a commercial discovery.

AEM Survey

During the March 2021 quarter Mandrake provided the results of a whole-of-permit (~142km²) airborne electromagnetic (AEM) survey at the Jimperding Project, in the Jimperding Metamorphic Belt located 70km north east of Perth, Western Australia.

The heliborne AEM survey utilised Geotech Limited's Versatile Time-Domain Electromagnetic (VTEM™ Max) geophysical system surveying at 200m spacing (with some 100m-spaced infill lines flown over anomalous areas). Cultural sources (sheds, power lines etc.) were avoided by flight lines where possible.

The objective of the survey was to generate targets prospective for “Julimar-style” mineralisation given the Jimperding Project lies approximately 28km east of Chalice’s Julimar PGE-Ni-Cu discovery in the same geological terrane.

Several coherent targets have been identified along with a host of conductors following independent preliminary interpretation, with several anomalous responses demonstrating multiple broad late-time EM responses similar to that exhibited by the Newleyne Prospect.

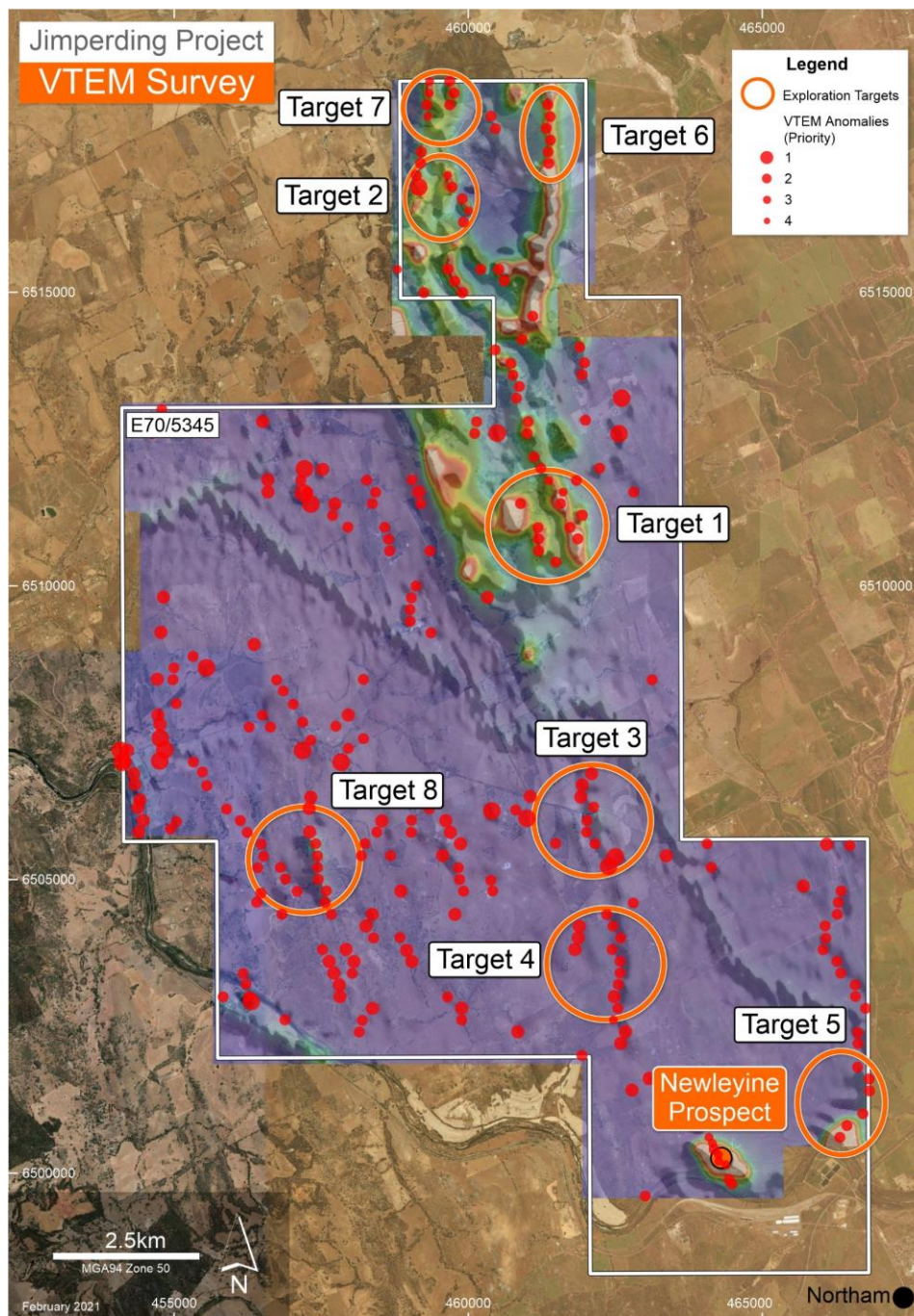


Figure 1 – Jimperding AEM survey preliminary interpretation (CH33 image) showing larger targets

Mandrake is well advanced in geological mapping and sampling work across the entire Jimperding Project primarily targeting the EM anomalies identified in the AEM survey.

Exploration Activities - Berinka Pine Creek Gold Project

Mandrake has designed a soil sampling and drilling programme as a follow-up to the August 2020 drilling work that targeted gold and copper mineralisation at its 100%-owned 289km² Berinka Pine Creek gold project in the Northern Territory.

The August 2020 drilling investigated two greenfield prospects, Vegetation Anomaly and Terry's Gap, identified from aeromagnetism and historic gold results derived from costeams.

RC hole FBRC005 at Vegetation Anomaly returned the following high grade gold-silver-copper intercept:

- 3m @ 1.8g/t Au, 32 g/t Ag and 2.1% Cu from 124m including;
 - 1m @ 3.7 g/t Au, 69 g/t Ag and 3.1% Cu from 124m

Gold appears to be hosted in a series of veins in close proximity to a faulted contact between a gabbro and granite and is associated with sulphides, particularly pyrite and chalcopyrite (copper). The presence of high concentrations of silver and copper is particularly noteworthy in that previous drilling work at Berinka, primarily at Terry's Prospect in the mid-80s, identified gold with significantly lower copper and silver concentrations. This suggests that the mineralisation at the Vegetation Anomaly may represent a different mineralised system/event.

To assist in understanding the structural controls on mineralisation Mandrake engaged specialist downhole logging consultants to run an optical probe in two holes. This information has greatly assisted in determining the orientation of structures/veins of interest and has been invaluable in assisting with the generation of a follow-up drilling programme.

Mandrake has secured the drilling permit and services of a driller for a ~2,000m RC programme targeting the Vegetation Anomaly and a number of other targets. A short soil sampling programme will be undertaken prior to drilling to inform precise drill hole siting. Given the ongoing heavy wet season in northern NT, work is expected to commence in June 2021.

Brief Exploration History – Berinka Gold Project

Carpentaria Exploration (CEC) first explored the area in 1975 when a reconnaissance visit found quartz veining assaying 5.5g/t Au at what is now known as the Terry's Prospect.

Over the next six years CEC conducted soil sampling, mapping, gridding, rock chip sampling and ground magnetics. Most of these activities were focused on the Terry's Prospect area which is situated approximately 2km south-east of Vegetation Anomaly. Importantly, Vegetation Anomaly and Terry's Prospect appear 'connected' by a distinct NW-SE lineament as interpreted from magnetic imagery.

In the mid-1980s CEC drilled 36 RC drill holes totalling 3,014m at Terry's prospect. Best intersections include*:

- 4m @ 6.6g/t from 32m
- 6m @ 3.1g/t from 18m
- 5m @ 2.6g/t from 30m

*A complete list of all historic drill intercepts is contained in the Mandrake Resources prospectus lodged with the ASX on 24 May 2019.

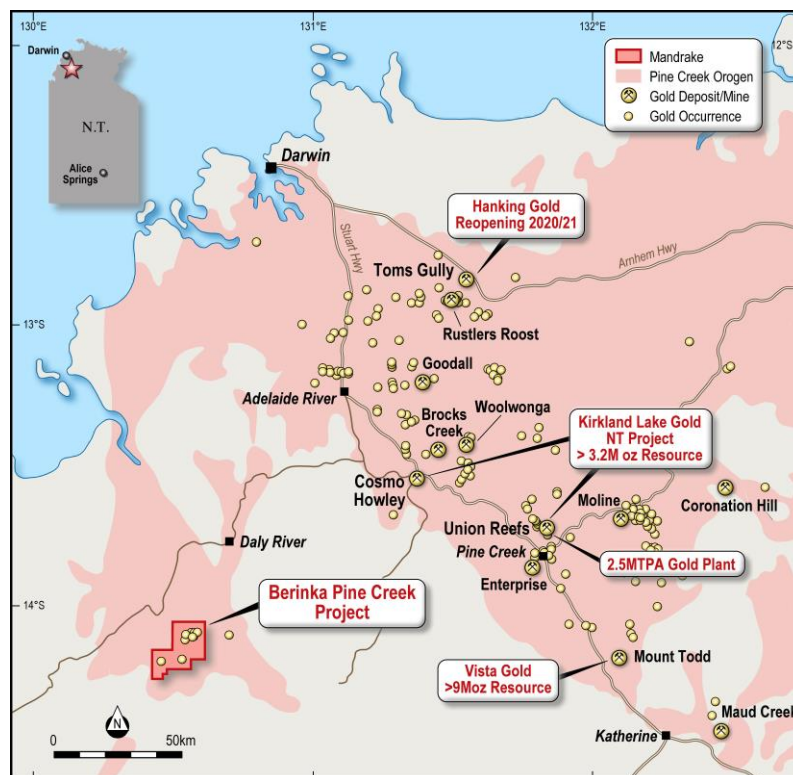


Figure 2 - Location of Berinka Pine Creek Project

Corporate

During the March 2021 quarter Mandrake advised of the resignation of Non-Executive Director Ben Phillips effective 8th March 2021.

Existing Chief Financial Officer and Company Secretary Lloyd Flint has been appointed to the Board as a Non-Executive Director.

Additional ASX Disclosure Information

ASX Listing Rule 5.3.2: There was no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.3 - Schedule of Mineral Tenements as at 31 March 2021

Location	Project	Status	Tenement	Interest - start quarter	Interest - end quarter
NT, Australia	Berinka	Granted	EL31710	100%	100%
WA, Australia	Jimperding	Granted	EL70/5345*	100%	100%

* - awaiting transfer to Mandrake (subject to Ministerial consent)

ASX Listing Rule 5.3.4: Actual expenditure, since admission to the ASX, versus estimated expenditure on items within the use of funds statement in the Prospectus:

Funds Available	Use of Funds Statement \$000's	Actual Receipts August 2019 to March 2021 \$000's	Variance \$000,s Favourable/ (Unfavourable)
Existing cash reserves	222	84	(138)
Funds raised from the Offer	4,500	4,794	294
Sub Total	4,722	4,878	156
Exercise of options (net of costs)	-	2,650	2,650
Total	4,722	7,528	2,806
Allocation of Funds	For Two Year Period commencing August 2019	Actual Expenditure August 2019 to March 2021	Variance
Land access and mapping	(225)	(465)	(240)
Geochemistry and geophysics	(550)	(620)	(70)
Drilling (and prep.)	(1,200)	(260)	940
Corporate administration costs	(800)	(571)	229
Costs of the Offer	(417)	(267)	150
Working Capital	(1,530)	(696)	834
Total expenditure	(4,722)	(2,879)	1,843
Interest received	-	54	54
Closing cash on hand	-	4,703	4,703

ASX Listing Rule 5.3.5: Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B total \$96,000. This is comprised of Directors' fees (excl. GST) and salaries of \$96,000.

This announcement has been authorised by the board of directors of Mandrake.

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 controls 100% of a 140km² exploration licence 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.

Appendix 5B

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

Name of entity

MANDRAKE RESOURCES LIMITED

ABN

60 006 569 124

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9....months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(439)	(943)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(109)	(325)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	15
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(545)	(1,253)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9....months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	664	2,689
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(39)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	652	2,650

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,596	3,306
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(545)	(1,253)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	652	2,650

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,703	4,703

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,203	2,096
5.2	Call deposits	2,500	2,500
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,703	4,596

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	96
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(545)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(545)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,703
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,703
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	8.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

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

Date:30 April 2021.....

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

Notes

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