

ASX Announcement

19 January 2022

ASX Code: MAN

Capital Structure

Ordinary Shares: 481,038,070
Unlisted Options:
66,461,850 (3c exercise)
Current Share Price: 6.0c
Market Capitalisation: \$29M
Cash: \$16M (31/12/21)
Debt: Nil

Directors

Patrick Burke
Non-Executive Chairman

James Allchurch
Managing Director

Lloyd Flint
Non-Executive Director/
Company Secretary

Contact Details

First Floor
10 Outram Street
West Perth WA 6005
Australia

Tel: +61 8 6189 1155

mandrakeresources.com.au

QUARTERLY REPORT

For the period ended 31 December 2021

Highlights

Newleyne Prospect – Drilling recommenced

- **Drilling underway to test the last of 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**
- **Assay results anticipated in late February/March**
- **Diamond drilling undertaken in 2021 included two holes with zones of disseminated, semi-massive and massive sulphides associated with mafic-ultramafic rocks; assay results include:**
 - **7.4m @ 0.29% Ni from 96m (MNEWDD002);**
 - **8m @ 0.21% Ni from 122m (MNEWDD002); and**
 - **6.6m @ 0.19% Ni and 853ppm Cu from 315.4m (MNEWDD003).**
- **Mandrake has over \$16.4M in cash and continues to assess additional project opportunities**



Figure 1 – Drilling MNEWRC004

Exploration Activities - Jimperding Project

During the December 2021 quarter, Mandrake Resources Limited (ASX: MAN) (Mandrake or the Company) continued assessment activities at the Jimperding Project located approximately 30km east of Chalice Mining Limited's (Chalice) Julimar Ni-Cu-PGE discovery in the Jimperding Metamorphic Belt 70km north east of Perth, WA.

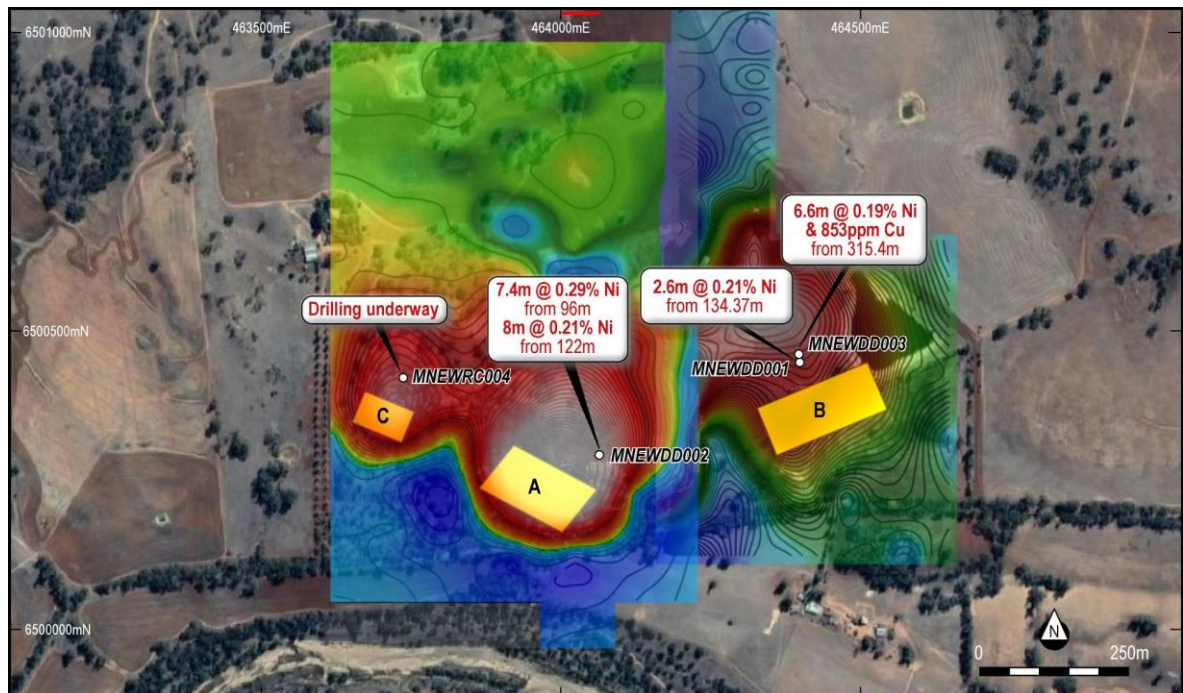


Figure 2 – Newleyine prospect showing FLEM EM conductors (A, B and C) and drill results from July 2021 drilling

Newleyine Ni-Cu-PGE Prospect

In July 2021 Mandrake completed three diamond drill holes at its flagship Newleyine Ni-Cu-PGE prospect before the programme was halted due to incessant rain in the Northam area restricting access to drill pads.

Drilling targeted two of the three discrete, late-time electromagnetic (EM) bedrock anomalies that geophysical interpretation suggested could be the response of massive sulphides consistent with Julimar-style PGE-Ni-Cu mineralisation.

Core was sampled over selected intervals based on lithology and potential mineralisation. All assay results are provided in the ASX release dated 29 September 2021. A summary of significant results is provided below.

- **7.4m @ 0.29% Ni from 96m (MNEWDD002);**
- **8m @ 0.21% Ni from 122m (MNEWDD002); and**
- **6.6m @ 0.19% Ni and 853ppm Cu from 315.4m (MNEWDD003).**

Subsequent to the December 2021 quarter, drilling recommenced with Reverse Circulation (RC) drill hole MNEWRC004 now underway targeting the final untested EM bedrock anomaly (conductor plate C).

Once complete, MNEWRC004 will be cased ahead of a down-hole EM (DHEM) survey designed to identify off-hole EM conductors.

It is anticipated that assay results for MNEWRC004 will be received in late February/March 2022.

Additional Ni-rich Ultramafic Prospects - Jimperding Project

During the December 2021 quarter Mandrake continued investigations into the virgin ultramafic bodies located at Tolarno North and Tolarno South with Mandrake currently assessing the requirements for access.

Mandrake has completed detailed geological mapping and sampling across the entire ~142km² Jimperding Project. The regional geological field assessment was informed by the Versatile Time-Domain Electromagnetic (VTEM™ Max) airborne electromagnetic (AEM) survey conducted by Mandrake as well as Geological Survey of Western Australia (GSWA) geological mapping and historical datasets.

Two stand-out prospects, Tolarno North and Tolarno South, were identified with both prospects having received no previous exploration.

Tolarno North Prospect

Field inspection of a VTEM anomaly located in a paddock revealed the existence of a roughly 900m-long by 200m-wide soil-covered zone with intermittent outcropping, subcropping and float ultramafic rock. Strongly ferruginised weathered schist adjacent to the EM anomaly was submitted for assay and recorded 0.31% Ni, 503ppm Cu and 20ppb Pt.

The serpentinised peridotites comprising the majority of the ultramafic rock typically returned values of 0.1% - 0.3% Ni. Ultramafic rock chip sample X4409 was submitted to the laboratory for analysis and returned 0.13% Ni, 396ppm Cu and 30 ppb Pt.

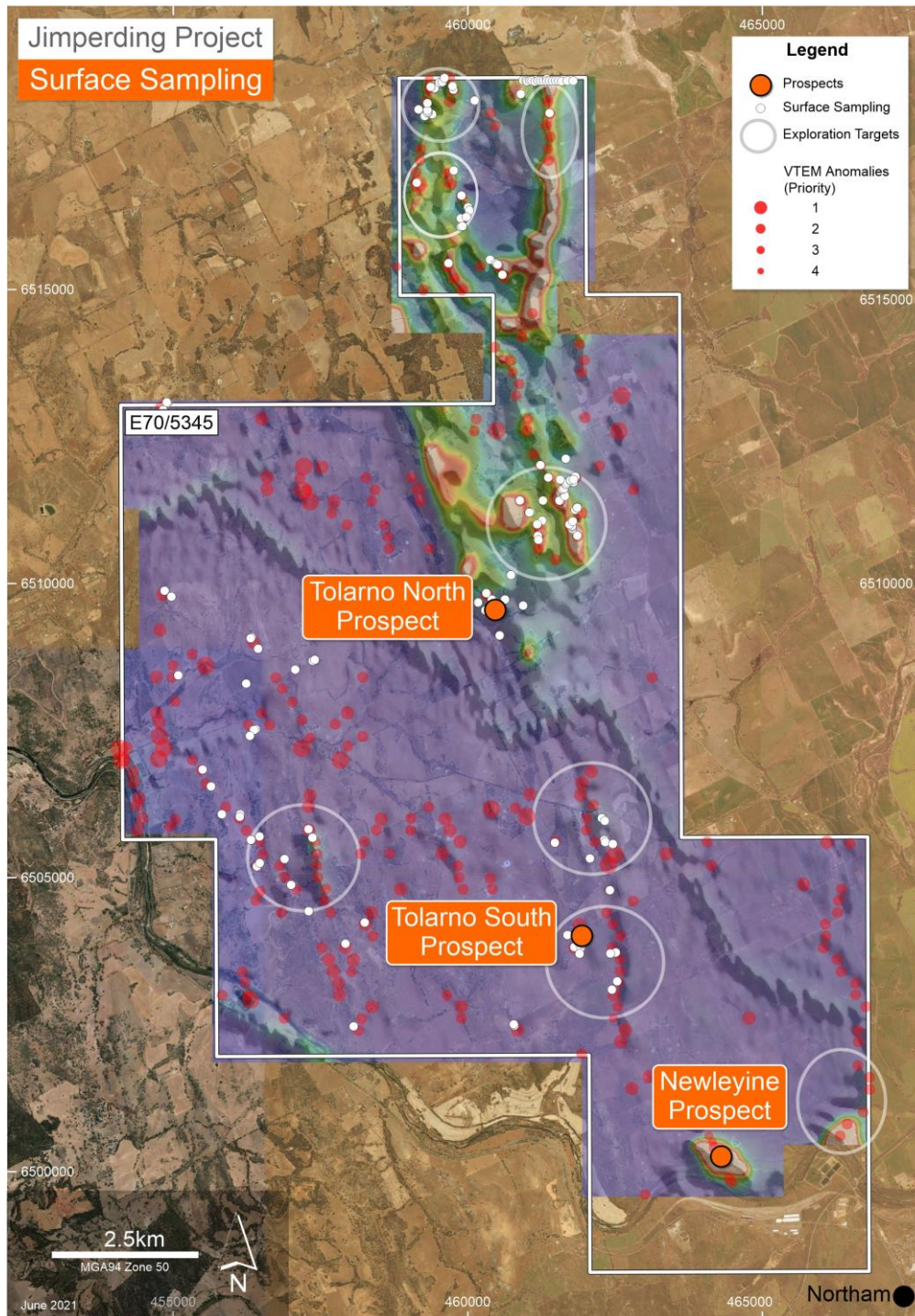


Figure 3 - Jimperding Project VTEM Anomalies and Surface pXRF Sampling Locations

Whilst the true extent of the ultramafic intrusive is unclear, the initial geochemical signature and coincident EM anomalism indicates the potential prospectivity of Tolarno North for Ni-Cu-PGE mineralisation.

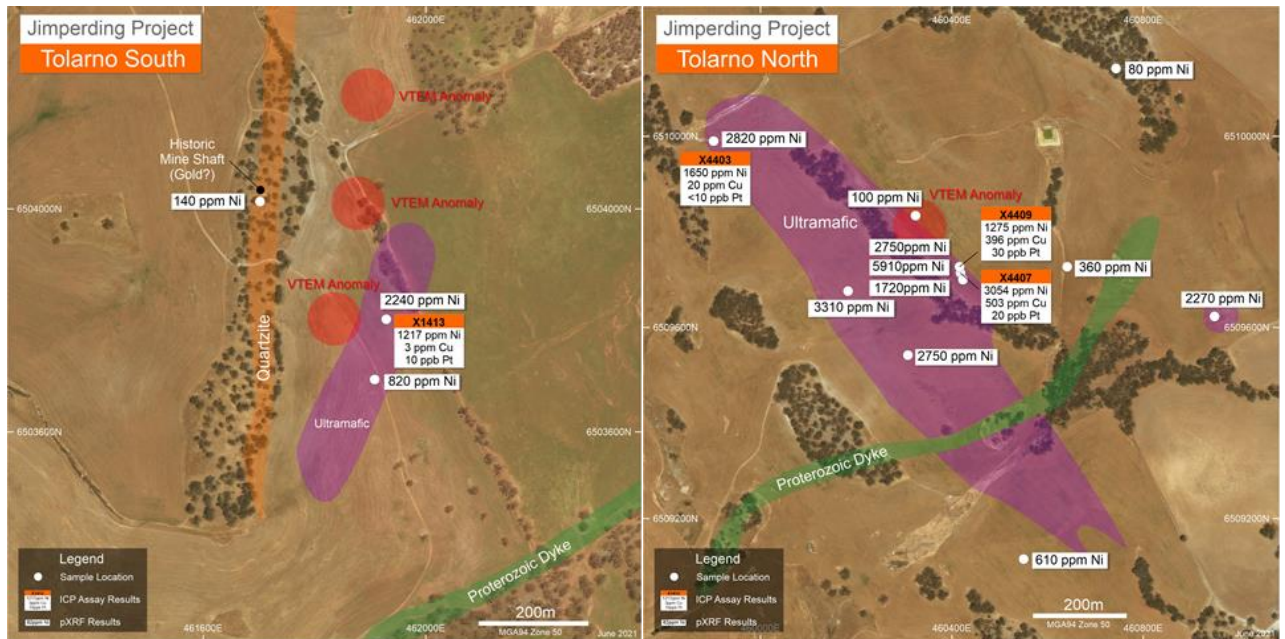


Figure 4 – Tolarno North and South Prospects – Inferred Ultramafic Extent and Surface Sampling Results

Tolarno South Prospect

In the course of investigating three distinct VTEM anomalies and a historic mine shaft believed to have been worked for gold, Mandrake identified an area of approximately 700m x 200m where ultramafic and amphibolite float were found.

No source of the EM anomalies were found and no outcrop located. It is noted that colluvium across the area is derived from a quartzite ridge hosting the historic shaft which will likely obscure any outcrop or meaningful soil geochemistry.

One sample of ultramafic float was sent to the lab for assay and returned 0.12% Ni and 10ppb Pt.

Exploration Activities - Berinka Pine Creek Gold Project

Mandrake intends to continue exploration activities at its 100%-owned 289km² Berinka Pine Creek gold project in the Northern Territory at the conclusion of the 2021/2022 wet season.

Mandrake's August 2020 drilling investigated two greenfield prospects, Vegetation Anomaly and Terry's Gap, identified from aeromagnetics and historic gold results derived from costeans.

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

Mandrake has received the requisite drilling permit to conduct further drilling.

Assessment of Addition Project Opportunities

As part of its ongoing business development model, Mandrake continues to assess project opportunities across a broad range of commodities and geographies with a view to identifying attractive, suitably priced assets that will add shareholder value.

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 December 2021

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

ASX Listing Rule 5.3.4: Reporting under a use of funds statement in a Prospectus does not apply to the Company currently.

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 \$104,000, comprised of Directors' fees, salaries and secretarial and accounting services performed by directors.

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 PGE-Ni-Cu 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 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..6....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(78)	(518)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(51)	(215)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	4
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	(127)	(729)

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	-	-

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 (..6....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	108	1,114
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(6)
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	105	1,108
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,463	16,062
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(127)	(729)
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)	105	1,108

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 (..6....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	16,441	16,441

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	6,441	13,963
5.2	Call deposits	10,000	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)	16,441	16,463

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	104
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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(127)
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)	(127)
8.4 Cash and cash equivalents at quarter end (item 4.6)	16,441
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	16,441
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	129
<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:19 January 2022.....

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.