

ASX Announcement

22 April 2022

ASX Code: MAN

Capital Structure

Ordinary Shares: 493,371,403
Unlisted Options:
59,128,517 (3c exercise)
Current Share Price: 6.1c
Market Capitalisation: \$30M
Cash: \$16.2M
Debt: Nil

Directors

Lloyd Flint
Chairman/Company Secretary

James Allchurch
Managing Director

Roger Fitzhardinge
Non-Executive Director

Contact Details

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Australia

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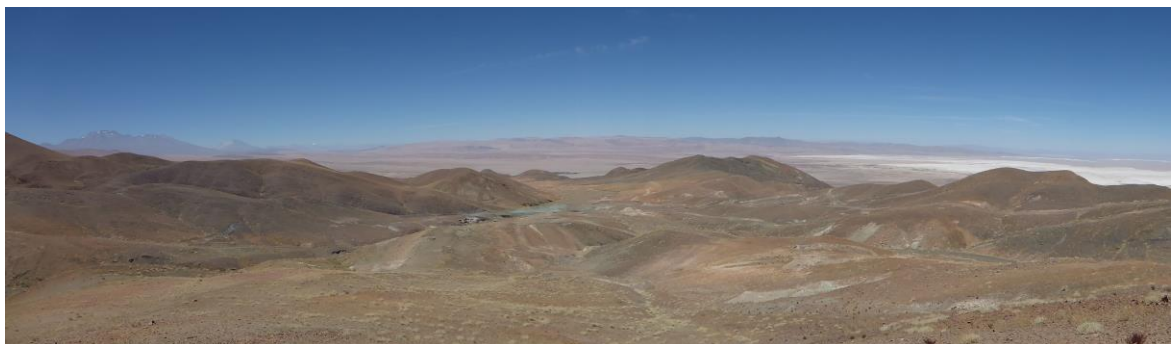
QUARTERLY REPORT

For the period ended 31 March 2022

Highlights

High-Grade Copper Project Acquisition

- **Transformational acquisition of the high-grade Delfin Copper Project in Chile**
- **Staged and conditional consideration with minimal upfront cash/shares - \$1M cash and 80M shares¹ in MAN**
- **Outstanding exploration opportunity with multiple spectacular historical drilling intersections including:**
 - **86m @ 4.83% Cu from 121m (DD-4) including:**
 - 27m @ 7.1% Cu from 134m; and
 - 3m @ 14.4% Cu from 164m
 - **89m @ 3.2% Cu from 122m (SD-89)**
 - **34m @ 3.01% Cu from 18m (SD-27)**
 - **69m @ 1.90% Cu from 44m (SD-49)**
- **Large 84km² tenure position with existing infrastructure and year-round access for exploration in the world's most prolific copper producing region that includes BHP/Rio Tinto's Escondida² (11.2Bt @ 0.8% Cu) and Codelco's Chuquibambilla (10.5Bt @ 0.6% Cu) mines**
- **Outstanding greenfields exploration upside with 90% of historic drilling concentrated in a 300 x 100m area with little previous application of modern exploration techniques**
- **Multiple high grade shallow targets - exploration commenced**
- **Approx \$16.2M cash - Mandrake fully funded for exploration**



View of Delfin Project Area Looking South East

¹ 50% escrowed for 6 months from completion.

² Escondida's current capacity is around 1.4 million tonnes of copper production per year, or 5% of total global production, making it the largest copper mine in the world (["The World Copper Factbook 2020"](#), International Copper Study Group (ICSG)).

High-Grade Delfin Copper Project Acquisition

Mandrake Resources Limited (Mandrake or the Company) announced on March 25th, 2022, that it had entered into an agreement to acquire a 100% interest in the high-grade Delfin Copper Project in Chile.

Historical drilling highlights the prospectivity with spectacular drilling intercepts of high-grade copper mineralisation.

Mandrake has commenced an exploration programme which will include the re-interpretation of existing geophysical data, assessment of recently submitted rock chip samples (assays pending) and drilling.

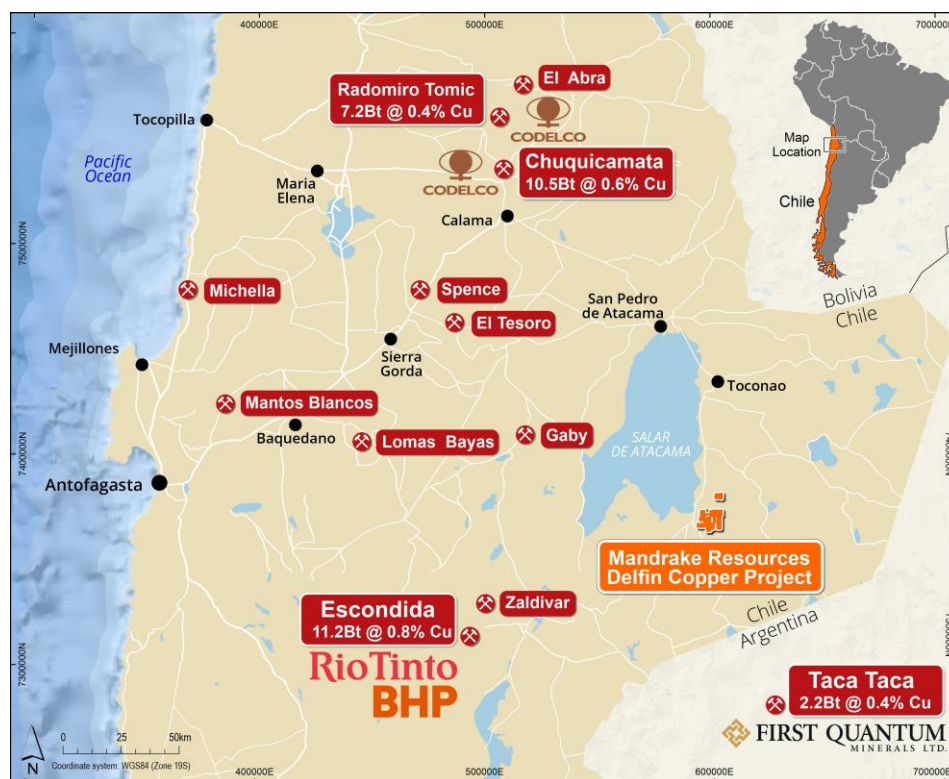


Figure 1: Delfin Project location with proximal major copper mines

The Delfin project is located in the prolific copper-producing Antofagasta region of Chile, 235km east of the capital Antofagasta and 115km south of San Pedro de Atacama (Figure 1). The location of Delfin allows for year-round access and operations.

The project is largely contiguous and incorporates several key prospects with Delfin 1 being the focus of historical exploration activity. Such historical work has concentrated on a 300m x 100m area and includes two artisanal mines and over 15,000m of diamond and reverse circulation (RC) drilling.

Historical work at the Delfin 1 prospect demonstrated the prospectivity of the region by encountering spectacular drilling intercepts of high-grade copper mineralisation at shallow depths as shown in Figure 2 and Table 1.

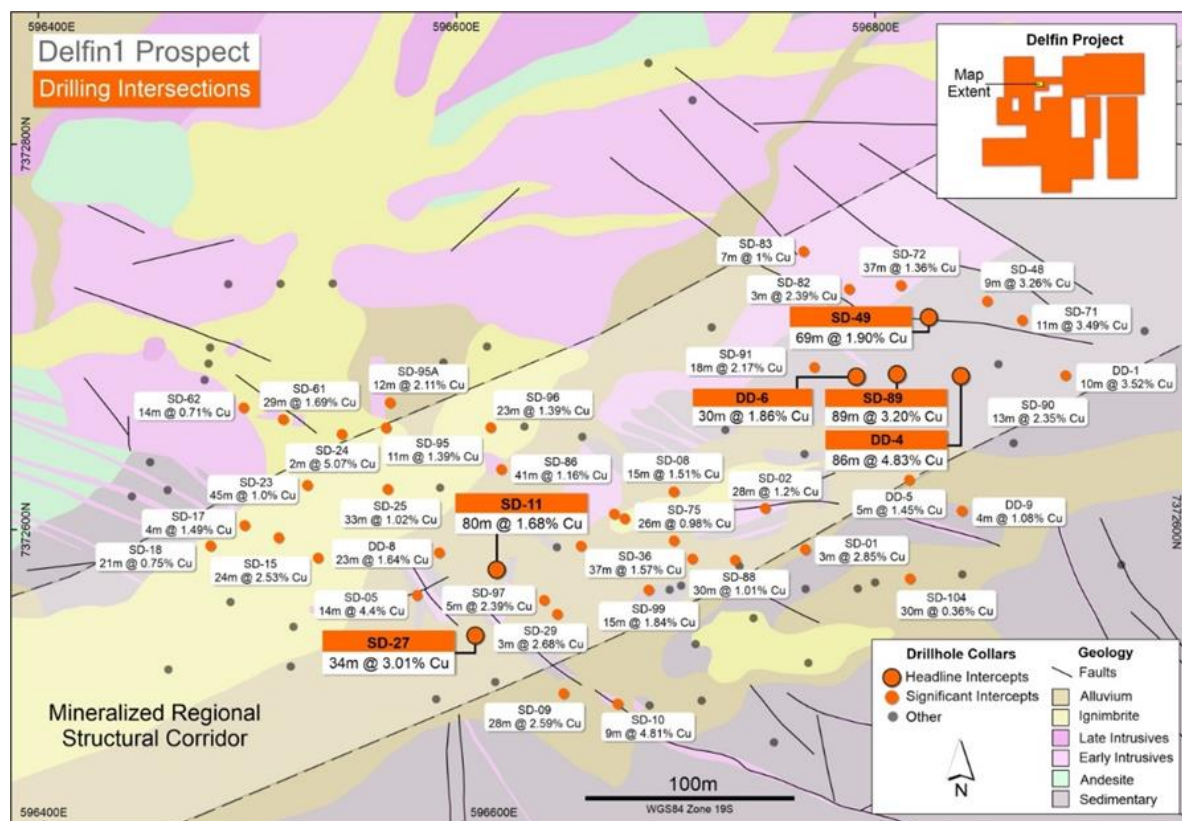


Figure 2: Delfin 1 prospect – significant drill intercepts

Note that diamond drill core referenced in Table 1 has been viewed and remains accessible. In some instances, intercepts have been quarter-cored and re-assayed, with results confirming copper grades.

Table 1: Significant assay results – Delfin 1

Drill hole	From	To	Interval	Cu Total (%)
DD-4	121	207	86	4.83
<i>including</i>	<i>134</i>	<i>161</i>	<i>27</i>	<i>7.10</i>
<i>and</i>	<i>164</i>	<i>167</i>	<i>3</i>	<i>14.43</i>
SD-89	122	211	89	3.20
SD-49	44	113	69	1.90
DD-6	113	143	30	1.86
SD-88	60	90	30	1.01
SD-95	72	87	11	1.39
SD-91	122	140	18	2.17
SD-27	18	52	34	3.01
SD-11	36	116	80	1.68

Historical drilling and exploration work has been sporadic, resulting in inconsistent geological interpretation and misunderstanding of the controls on mineralisation. The high-grade zones often appear oblique to drilling, suggesting that the historical drill orientation was not particularly favourable to identifying and defining the high-grade zones.

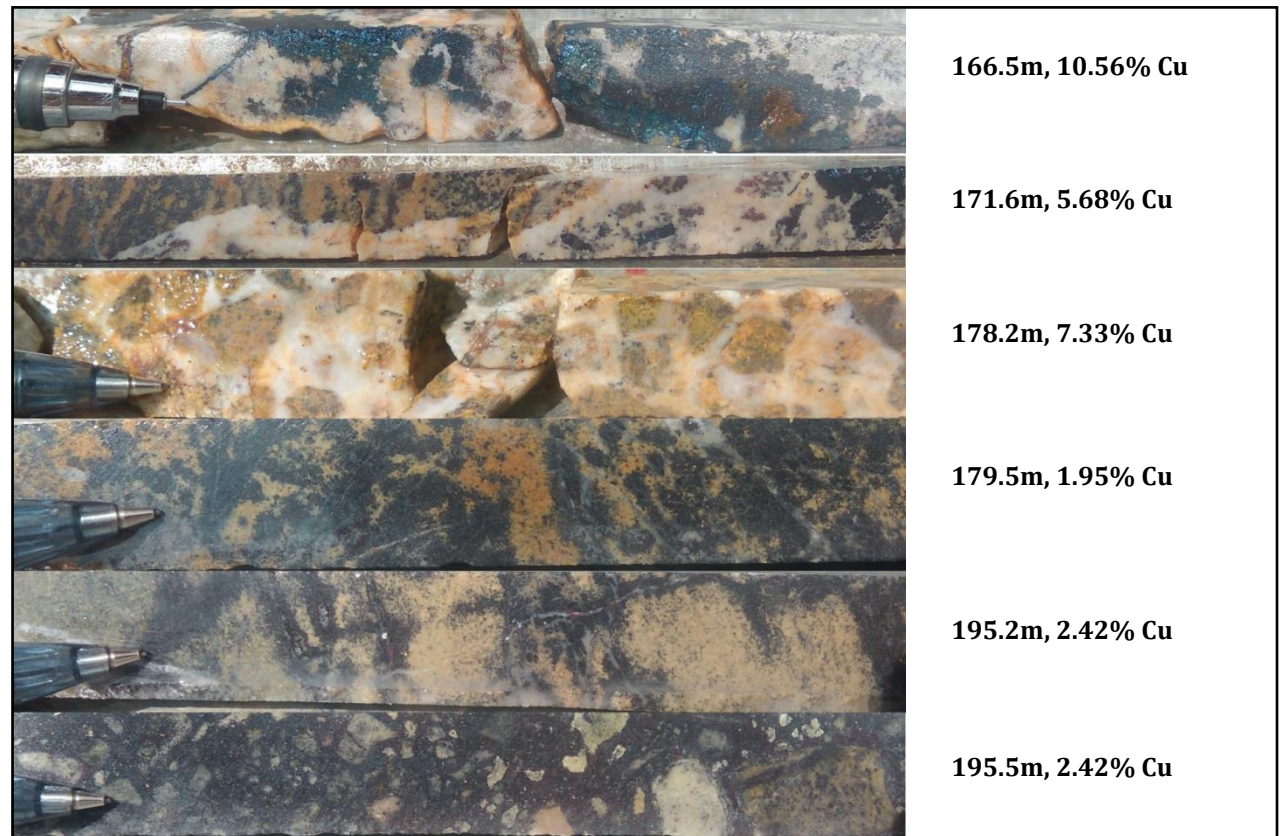


Figure 3: Examples of copper sulphide mineralisation (bornite, chalcocite and chalcopyrite) from drill hole DD-4. Depth and Cu% assays (1m interval) shown to the right of each photograph.

Further opportunity at Delfin exists at depth with 80% of the historical drilling being shallower than the average penetration depth of only 140m. The Delfin Project also has significant potential for deeper copper porphyry mineralization given the precise genesis of copper mineralization at Delfin has not yet been determined.

Mandrake notes the nearby presence of porphyries constituting the largest copper mines in the world such as Escondida (11.2 Bt @ 0.8% Cu - BHP/Rio Tinto) and Chuquicamata (10.5Bt @ 0.6% Cu - Codelco).

Importantly, the Delfin 2 and Cami 9 greenfields prospects (Figure 4) represent immediate follow up targets which show similar structural settings to Delfin 1, with rock chip samples up to 10.17% Cu (Cami 9) and 3.26% Cu (Delfin 2).

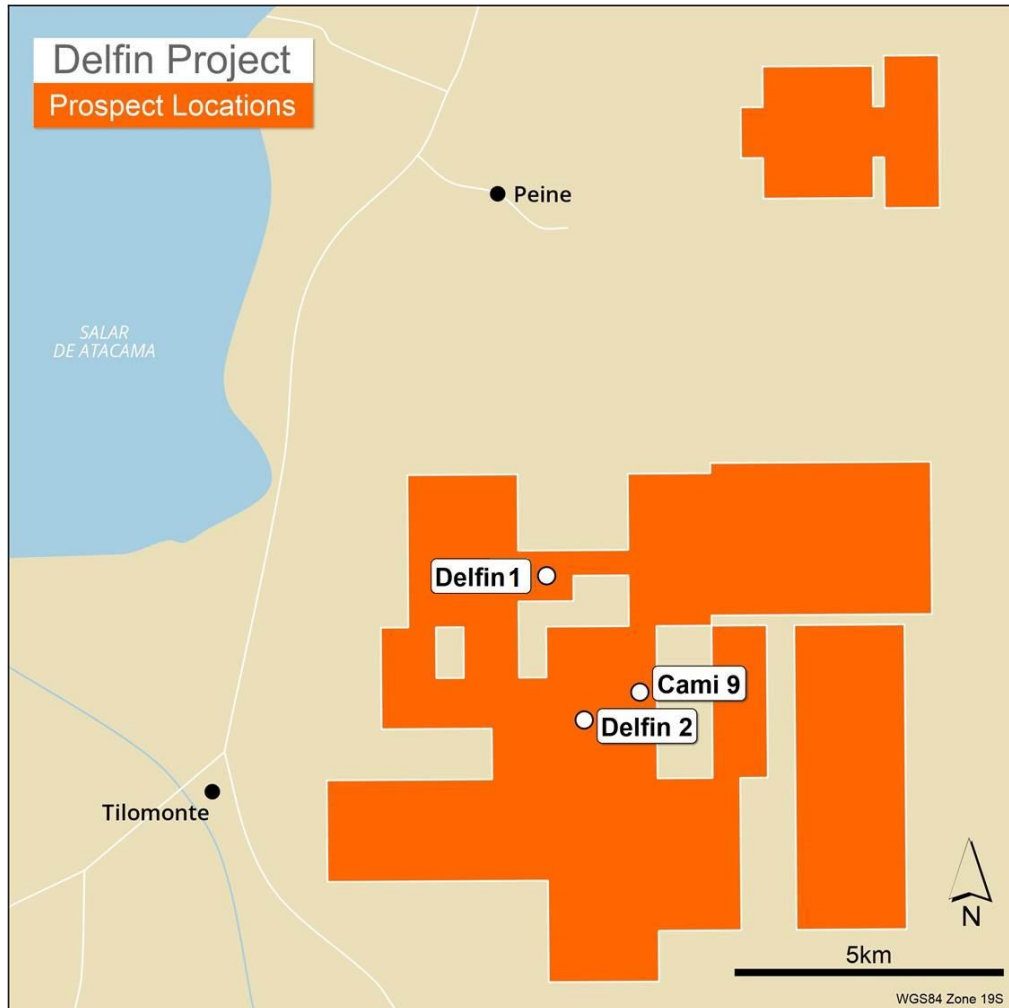


Figure 4: Delfin exploration concessions and known prospects – an area of 84KM²

Delfin 1 Prospect Geology

The mineralisation at Delfin 1 appears to reflect structurally-controlled magmatic-hydrothermal processes which have resulted in the formation of weak-moderate porphyry vein-style mineralisation as well as high-grade vein replacement and breccia style mineralisation.

A regional scale NE-SW structural corridor (Figure 2) appears to play a key role in controlling magmatism and mineralisation. This structural corridor is at least 150m wide and extends for at least 2 kilometres.

Smaller-scale and steeply-dipping NW-SE trending faults and E-W trending faults cross-cut the regional structural corridor. They play a key role in localising near-surface and high-grade supergene copper mineralisation and have been the subject of small-scale shallow open pit mining. These mineralised fault zones extend either side of the regional structural corridor but show strongest mineralisation development within the regional structural corridor.

A second high-grade occurrence within the regional corridor located approximately 300m to the southwest of holes DD-4 and SD-89 also shows a strong

NW-SE fault control and thus may also be influenced by steeply-plunging fault intersections. It is likely that other NW-SE and E-W fault-related high-grade copper zones are located along strike within the regional structural corridor outside of the immediate Delfin 1 area.

Re-logging and re-interpretation is already underway with a focus on understanding the structural controls and plunge of the high-grade zones.

Next steps

The Company will immediately focus efforts on near-surface high-grade targets designed to improve the understanding of the high-grade mineralisation. Forthcoming activities in Q2-Q4 2022 include:

- Mandrake employee already on the ground organising field activities and building in country exploration team
- Initiate stakeholder engagement with a focus on building community relationships to ensure Mandrake is putting the best available operational, technical, environmental, social, and governance (ESG) practices in place
- Release of detailed rock-chip sampling (assays pending) and mapping work
- Interpretation of recent modern soil geochemical sampling data
- Interpretation and modelling of previous geophysical survey
- Re-logging (all core and rock chips available) and re-interpretation of drilling is already underway with a focus on understanding the structural controls and plunge of the high-grade zones
- Confirmation and extensional drilling to test the continuity of high-grade zones
- Commence metallurgical testwork and process route determination; and
- Complete a maiden JORC Resource estimate

Delfin Copper Project Deal Terms

Mandrake has executed a binding Terms Sheet to acquire 100% of Atacamoz Pty Ltd (conditional upon 12-week due diligence and regulatory approvals) which holds an option to purchase 100% of the Delfin Project.

The consideration to acquire Atacamoz is:

- 80M fully paid ordinary shares in MAN (50% escrowed for 6 months); and
- \$1,000,000 forming a loan to Atacamoz.

Material Terms of the Option Agreement

NOTE: Payment of the future cash consideration (below) is contingent on successful exploration and eventual production at Delfin; even after having completed major exploration activities at Delfin, Mandrake is able to exit from the arrangement with no penalty prior to the cash consideration due dates outlined below.

1. Consideration

The consideration to exercise the option and take 100% ownership of the Delfin Project is:

- i. US\$300,000 payable in cash by 31 May 2023; and
- ii. US\$3,500,000 payable in cash by 31 May 2024.

2. Royalty

Royalty payable in accordance with the table below, based on the average monthly price of copper.

Royalty Schedule

Less than 1.5 USD/lb Cu	0% NSR
Between 1.50 - 2.00 USD/lb Cu	2.5% NSR
Between 2.01 - 3.00 USD/lb Cu	3.0% NSR
Between 3.01 - 4.00 USD/lb Cu	3.5% NSR
More than 4.01 USD/lb Cu	4.0% NSR

Full deal terms are provided in the ASX announcement dated 25 March 2022.

Newleyine Ni-Cu-PGE Prospect

During the March 2022 quarter, assay results were received for RC drill hole MNEWRC004 which targeted electromagnetic (EM) conductor plate C at the Newleyine PGE-nickel-copper prospect, located in the Jimperding Metamorphic Belt, home to Chalice Mining's Julimar PGE-Ni-Cu discovery .

EM conductor plate C was modelled using data collected during the fixed loop EM (FLEM) survey conducted in 2020. MNEWRC004 intersected the modelled position of EM conductor plate C however the hole did not intersect conductive material that would likely explain the presence of the plate.

A subsequent downhole EM survey (DHEM) revised and refined the precise three-dimensional location of the main conductor, identified as sitting immediately above and to the south-east of MNEWRC004.

The single off-hole conductor identified by DHEM was modelled using late time EM data and is a ~80 x 20m strongly conductive plate (8,750 Siemens). The conductive plate is 125m below ground surface.

MNEWRC004 was assessed by portable XRF (pXRF), with five samples submitted for laboratory analysis based on lithology and pXRF nickel and copper values.

MNEWRC004 contained trace sulphides and returned assay results of 4m @ 0.37% Ni, 229ppm Cu and 42.5ppb Pt+Pd from 82m; as well as 1m @ 0.33% Ni, 368ppm Cu and 40ppb Pt+Pd from 69m. Both intervals comprised an ultramafic serpentinite-dunite.

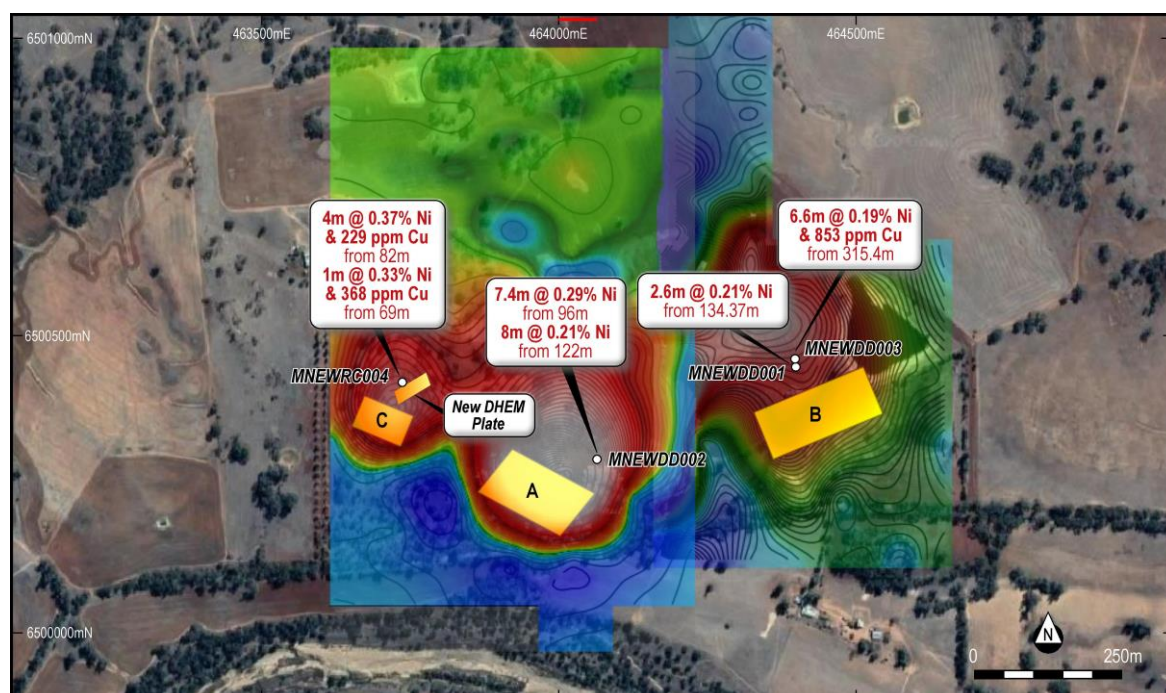


Figure 5 – Newleyne prospect showing FLEM EM conductors (A, B and C) and drill results

Corporate

On 24 January 2022 the Company announced the appointment of Mr Roger Fitzhardinge as Independent Non-Executive Director of the Company.

Mr Fitzhardinge is a geologist with over 23 years' experience in the exploration and mining industry and currently holds the role of *General Manager - Exploration and Growth* at Centaurus Metals Limited (ASX: CTM).

Mr Fitzhardinge joined Centaurus in 2010 and was instrumental in identifying, acquiring and developing Centaurus' flagship Jaguar Nickel Sulphide Project which has propelled the company from a market capitalisation of approximately \$24 million at the time of acquisition in August 2019 to a current valuation of more than \$600 million.

Non-Executive Chairman, Patrick Burke, resigned from the Board as at 25 March 2022. The Mandrake Board thanks him for his service to the Company since listing in August 2019.

Existing Non-Executive Director Mr Lloyd Flint has assumed the role of Non-Executive Chairman.

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 2022

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 \$106,000, 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 recently acquired the Delfin Copper Project located in Chile which contains numerous high grade historical copper hits such as 86m @ 4.83% Cu from 121m (DD-4); including 27m @ 7.1% Cu from 134m and 3m @ 14.4% Cu from 164m.

The Company also controls 100% of a 140km² exploration licence prospective for PGE-Ni-Cu in the exciting Jimperding Metamorphic Belt, 70km NE of Perth as well as 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 2022

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	(183)	(701)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(105)	(320)
1.3	Dividends received (see note 3)		
1.4	Interest received	9	13
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	(279)	(1,008)

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	41	1,155
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(9)
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	38	1,146

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,441	16,062
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(279)	(1,008)
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)	38	1,146

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	16,200	16,200

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	6,200	6,441
5.2	Call deposits	10,000	10,000
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)	16,200	16,441

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	106
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)	(279)
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)	(279)
8.4	Cash and cash equivalents at quarter end (item 4.6)	16,200
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	16,200
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	58
<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:22 April 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.