

**ASX Announcement**

27 July 2022

**QUARTERLY REPORT**

ASX Code: MAN

**For the period ended 30 June 2022****Capital Structure**

Ordinary Shares: 534,499,920  
Unlisted Options:  
18,000,000 (3c exercise)  
Current Share Price: 3.3c  
Market Capitalisation: \$18M  
Cash: \$17.2M (at 26 July 2022)  
Debt: Nil

**Directors**

Lloyd Flint  
Chairman/Company Secretary

James Allchurch  
Managing Director

Roger Fitzhardinge  
Non-Executive Director

**Contact Details**

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[mandrakeresources.com.au](http://mandrakeresources.com.au)**Highlights**

- **Extension of due diligence period to 24 August 2022 for the acquisition of the high-grade Delfin Copper Project in Chile**
- **Delfin is an 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)**
- **All technical and legal due diligence completed to date has been satisfactory, the Company is now pursuing full support of the community to ensure a clear path to immediate exploration activities ahead of acquisition completion**
- **Drilling at Berinka gold-copper project in the NT to commence in current quarter, preliminary site works underway**
- **Mandrake has engaged experienced Exploration Manager to help drive Berinka exploration and Delfin evaluation.**
- **Approx \$17.2M cash as at 26 July 2022**

**High-Grade Delfin Copper Project - DD Extension**

On 25<sup>th</sup> March 2022 Mandrake Resources Limited (Mandrake or the Company) announced that it had entered into an agreement (Terms Sheet) with Atacamoz Pty Ltd (Atacamoz) to acquire a 100% interest in the Delfin high-grade copper project comprising an 84km<sup>2</sup> land package in the prolific copper-producing Antofagasta region of Chile.

During the June 2022 quarter, Mandrake secured an agreement with Atacamoz for a two-month extension to the Terms Sheet due diligence period, taking the due diligence period end date to 24 August 2022. The due diligence extension came at no cost to Mandrake.

Mandrake has completed a comprehensive assessment of the technical, legal, environmental and social components of the Delfin Project. Mandrake staff, including Managing Director James Allchurch, have made several site visits to Delfin to conduct technical work and meet with the local community.

The due diligence extension allows Mandrake to continue discussions with the local community to ensure a clear path to immediate exploration activities upon acquisition.

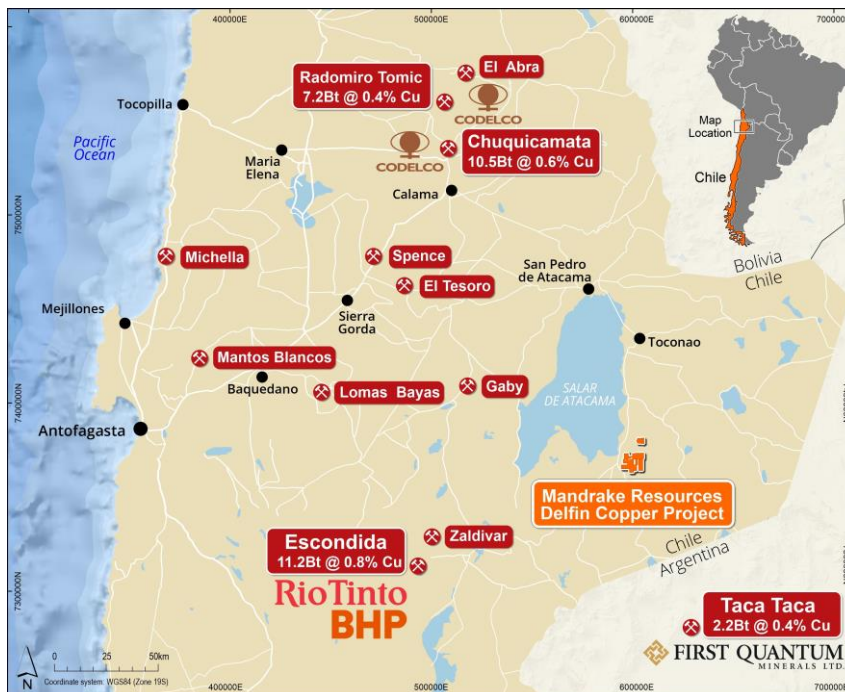


Figure 1: Delfin Project location with proximal major copper mines

## High-Grade Delfin Copper Project – Summary

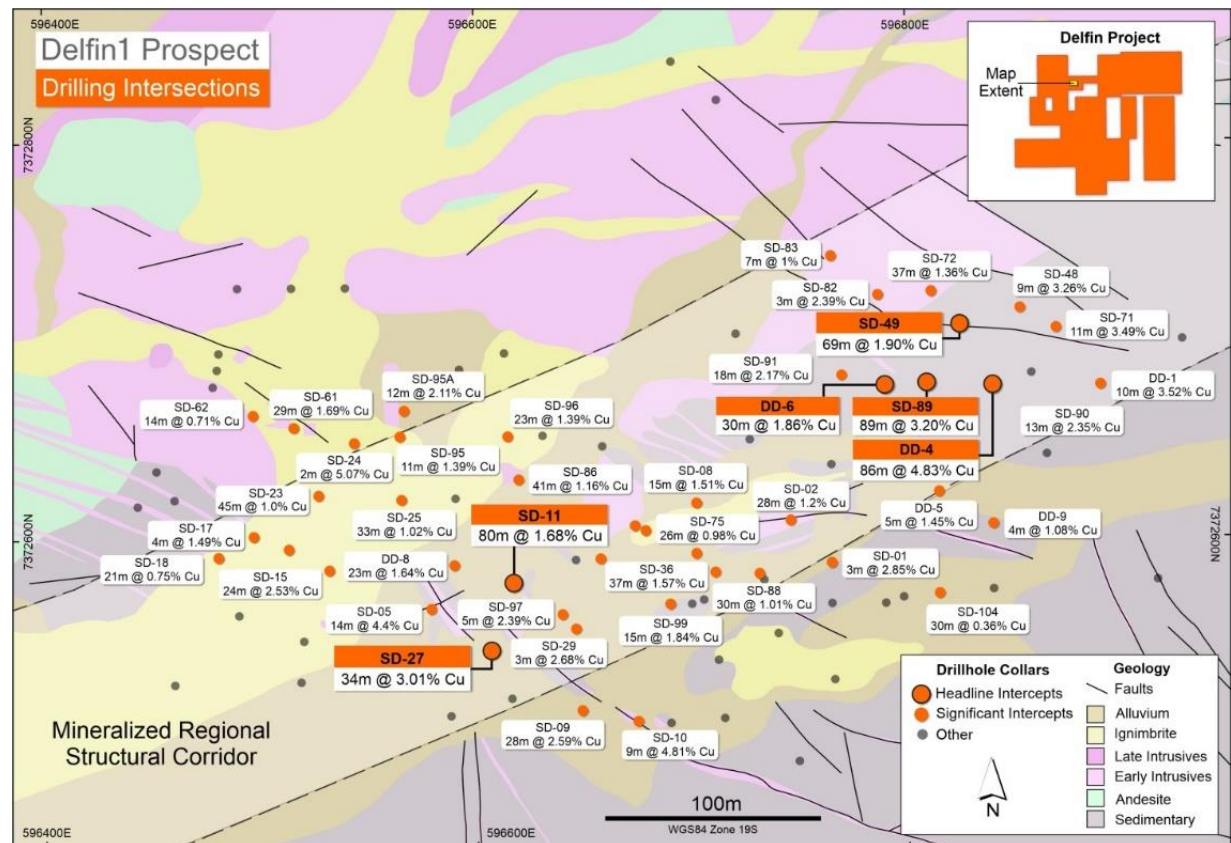
The Delfin project is located 235km east of Antofagasta and 115km south of San Pedro de Atacama (Figure 1). The location of Delfin allows for year-round access and operations.

Historical drilling at the Delfin 1 prospect encountered spectacular high-grade copper mineralisation at shallow depths as shown in Table 1 and Figure 2.

Table 1: Significant assay results – Delfin 1

Drill hole	From	To	Interval	Cu Total (%)
DD-4	121	207	86	4.83
<i>including</i>	134	161	27	7.10
<i>and</i>	164	167	3	14.43
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

The project is largely contiguous and incorporates a number of 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.



**Figure 2: Delfin prospect – significant drill intercepts**

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.

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 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 Chuquibambilla (10.5Bt @ 0.6% Cu - Codelco).

Please refer to the 25 March 2022 announcement for further technical information and JORC Table 1.

## Exploration Activities - Berinka Pine Creek Gold Project

Mandrake has completed further soil geochemical sampling to refine drill targets at its 100%-owned 289km<sup>2</sup> Berinka Pine Creek gold project in the Northern Territory.

Mandrake will commence drilling in the current quarter targeting a host of gold-copper targets.

Previous Mandrake drilling 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

## Personnel

On 1 July 2022, Mandrake engaged experienced geologist Harry Mees as Exploration Manager on a full-time basis to lead forthcoming exploration activities. Mr Mees has previously worked for Mandrake on a contract basis.

Mr Mees has over 30 years of industry experience, including 26 years in exploration across a host of commodities including Archean lode gold, epithermal gold, porphyry, skarn and lode copper/gold, tin (lode, greisen, pegmatite & skarn), base-metals (Sedex, VMS, lode), lithium and nickel.

Mr Mees has held senior roles with Herald Resources and Thundelarra Exploration and most recently was Supervising Senior Geologist for Breaker Resources at their Bombora Gold Prospect.

## Corporate

Subsequent to the end of the June 2022 quarter, Mandrake issued 39,878,517 ordinary fully paid shares on receipt of notice to exercise options (21,005,713) and pursuant to the underwriting of options (18,872,804) announced on 15 July 2022.

The underwriter did not receive any form of fee or payment for the underwriting.

As at 26 July 2022, Mandrake had approx. \$17.2M in cash.

## 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 30 June 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 5.3.5:** Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B total \$82,000, 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 140km<sup>2</sup> 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](http://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")

30 June 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..12....months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(182)	(883)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(66)	(386)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	11	24
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)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(237)</b>	<b>(1,245)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
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	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (..12....months) \$A'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	306	1,461
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(7)	(16)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>299</b>	<b>1,445</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	16,200	16,062
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(237)	(1,245)
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)	299	1,445

## 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 (..12....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>16,262</b>	<b>16,262</b>

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	6,262	6,200
5.2	Call deposits	10,000	10,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>16,262</b>	<b>16,200</b>

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	82
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

<b>7. Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(237)
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)	(237)
8.4 Cash and cash equivalents at quarter end (item 4.6)	16,262
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	16,262
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	68
<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: .....26 July 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.