

ASX Announcement

26 October 2023



QUARTERLY REPORT

For the period ended 30 September 2023

ASX Code: MAN

Capital Structure

Ordinary Shares: 598,759,920
Current Share Price: 3.4c
Market Capitalisation: \$20.4M
Cash: \$15.5M (Sept 2023)
Debt: Nil

Directors

Lloyd Flint
Chairman/Company Secretary

James Allchurch
Managing Director

Roger Fitzhardinge
Non-Executive Director

Contact Details

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Highlights

Continued progress at the flagship 100%-owned Utah Lithium Project

- **Progress for re-entry of historical oil and gas wells is well advanced – detailed Notice of Intent (NOI) application submitted to the Bureau of Land Management (BLM)**
- **Permitting activities commenced for a new well in SITLA (state managed) land**
- **Land position increased to 93,755 acres (~379km²), creating a large-scale potential world-class Lithium project**
- **Commencement of review of the uranium potential of the Lisbon Valley, Utah – Prolific uranium mining district located coincident with the Utah Lithium Project**
- **Approx cash position of \$15.5M**

Utah Lithium Project – Operations

During the September 2023 quarter, Mandrake Resources Limited (ASX: MAN) (Mandrake or the Company) made significant progress on the planned re-entry of two historical oil and gas wells and also selected a location for the drilling of a new lithium brine well at the 93,755 acre (approximately 379 km²) Utah Lithium Project in the Paradox Basin.

Re-entry of historical oil and gas wells

Detailed drilling and sampling programmes designed to test seven different potential lithium-bearing zones in two existing shut-in historical oil and gas wells have been completed.

A detailed Notice of Intent (NOI), a permit application which details the workplan for re-entering the old wells, was presented to the Bureau of Land Management (BLM) in early September 2023.

As part of their review of the NOI, a site visit has been completed by the BLM and Mandrake staff.

Mandrake has recently supplied additional information to the BLM and anticipate a response shortly.

Permitting of new drill location on Utah State land

Subsequent to the end of the quarter, and in addition to the preparations for re-entry of historical oil and gas wells, Mandrake commenced permit activities for a new lithium brine well at the Utah Lithium Project.

The new well location has existing access roads, is immediately adjacent to a large regional power line and is situated on land administered by the School and Institutional Trust Lands Administration (SITLA), controlled by the State of Utah.

Ahead of the preparation of an Application for Permit to Drill (APD) to be submitted to the Utah Division of Oil, Gas and Mining (UDOGM) for review, archaeological, environmental and land surveys are now underway.

The re-entry of two wells and the drilling of a new well are aimed at facilitating the sampling of lithium brines from a host of potential lithium brine reservoirs.

Lithium brines obtained will be subjected to both comprehensive analytical testing (to determine concentrations of lithium as well as other elements/compounds of interest) and preliminary Direct Lithium Extraction (DLE) trialing.

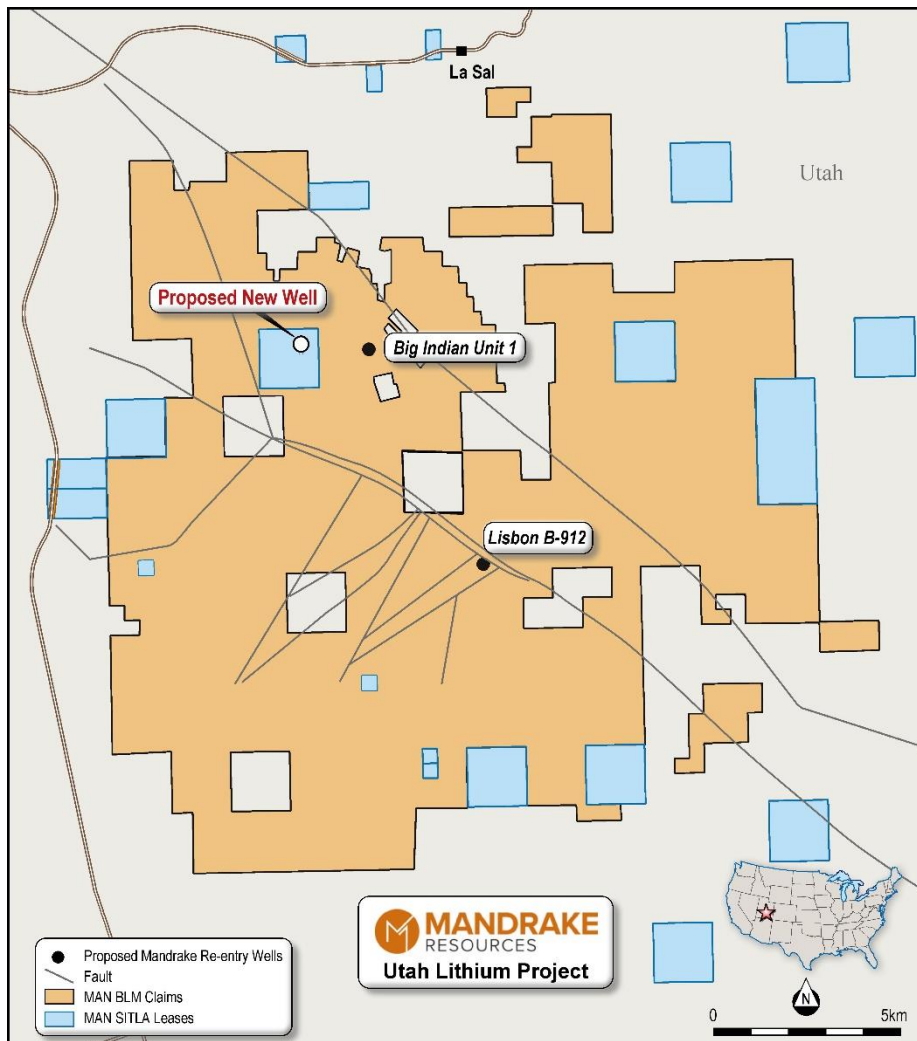


Figure 1: Utah Lithium Project – Location of re-entry wells and proposed new drill

Expansion of the Utah Lithium Project

During the September 2023 quarter, Mandrake staked an additional 5,659 acres of BLM land, securing a total of 93,755 acres (approximately 379 km²) of lithium brine prospective ground in the Paradox Basin.

The lithium brine land tenure now comprises:

1. 34,670 acres of leases pursuant to an Other Business Agreement (OBA) with the Utah School and Institutional Trust Lands Administration (SITLA), the organization which manages the Utah State Government's trust lands and mineral rights.
2. Over 2,950 BLM claims which totals 59,085 acres.

Targeted and strategic staking is crucial insofar it ensures the maximum number of brine tonnes can be included in any potential Mineral Resource Estimation given the strong correlation in lithium brine settings between areal extent (acres leased) and Mineral Resource size.

Uranium potential of the Lisbon Valley, Utah

During the reporting period, Mandrake assessed the uranium potential of its 93,755-acre Utah Lithium Project located within the historical Lisbon Valley mining district.

The Lisbon Valley district is a historical prolific uranium province in the US which between 1949 and 2019 accounted for nearly 78 million pounds (Mlb) of U₃O₈ production, or 64% of the Utah's¹ total production and approximately 8% of total United States production².

Declining uranium prices in the early 1980s forced many of the mines in the district and surroundings to close, however exploration activity has since ramped up in the region, attracting a host of uranium juniors (see Figure 2) as well as larger players such as Energy Fuels Inc. (NYSE:UUUU ~ US\$1.2B market cap) and Consolidated Uranium Inc. (TSX-V:CUR ~CAD\$200M market cap).

Energy Fuels operates the White Mesa Mill which is the only fully licensed and operational conventional uranium-vanadium mill in the US with a licensed capacity of over 8 million pounds of U₃O₈ per year and is in the process of restarting production at two historical mines in the La Sal district, immediately to the north of the Utah Lithium Project.

Resources at La Sal are quoted at 4.3Mlb of U₃O₈ and 17.8Mlb of V₂O₅ from 0.8Mt of material with grades of 0.26% U₃O₈ and 1.08 V₂O₅³.

Guided by existing mapping, historical well logs and a 3D seismic survey acquired by Mandrake, the Company will shortly commence exploration activities focused on the identification and mapping of outcrop and the identification of areas prospective for uranium mineralization.

¹ Mills, S.E. and Jordan, B., 2021, Uranium and vanadium resources of Utah—an update in the era of critical minerals and carbon neutrality: Utah Geological Survey Open-File Report 735

² Table 8.2 - Uranium Overview. Washington, DC: U.S. Energy Information Administration. April 2020.

³ <https://www.energyfuels.com/la-sal-complex>

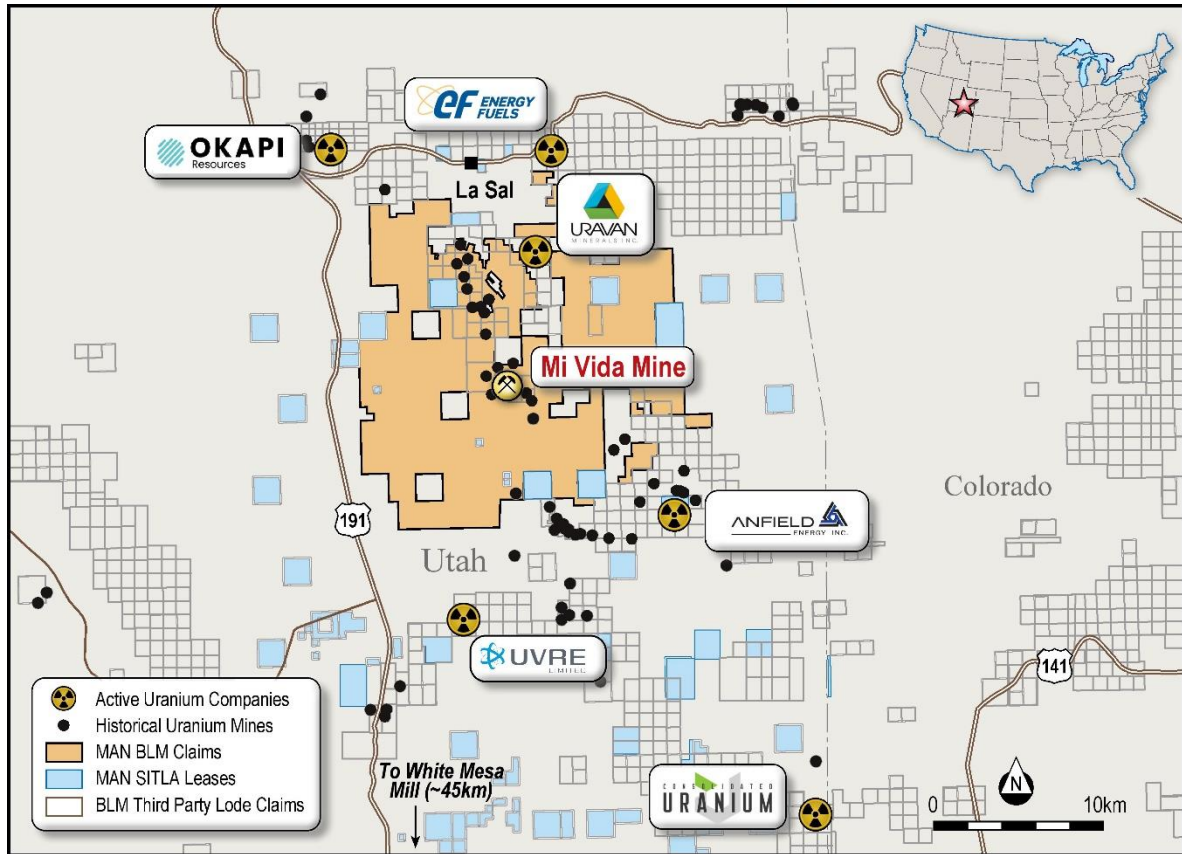


Figure 2: Utah Lithium Project – Location of Uranium mines and explorers

Continued exploration of existing projects

Although the primary focus of the Company has been on the Utah Lithium Project, Mandrake continues to assess the Berinka (gold/copper in NT) and Jimperding (PGE/Ni/Cu in WA) projects.

Corporate

As at 30 September 2023, Mandrake had approx. \$15.5M 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 September 2023

Location	Project	Status	Tenement	Interest - start of quarter	Interest - end quarter
Utah, USA	Utah Lithium	Staked	MANBLM-2746 to MANBLM-3036	0%	100%
Utah, USA	Utah Lithium	Staked	MANBLM-1 to MANBLM-2745	100%	100%
Utah, USA	Utah Lithium	Pursuant to OBA	MANOBA	100%	100%
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 \$122,000, 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 the Utah Lithium Project. The Company controls 100% of over 93,755 acres of lithium prospective ground in Utah, USA; a 140km² exploration licence prospective for PGE-Ni-Cu in the exciting Jimperding Metamorphic Belt, 70km NE of Perth and 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")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..3.months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,344)	(1,344)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(129)	(129)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	180	180
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	(1,293)	(1,293)

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 (..3.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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	16,810	16,810
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,293)	(1,293)
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)	-	-

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 (..3.months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	15,517	15,517

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	517	1,810
5.2	Call deposits	15,000	15,000
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)	15,517	16,810

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	122
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.</i>		
<i>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)	(1,293)
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)	(1,293)
8.4 Cash and cash equivalents at quarter end (item 4.6)	15,517
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	15,517
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	12.0
<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 October 2023.....

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.