

MANDRAKE RESOURCES LIMITED

(formerly Bronson Group Limited)

A.B.N. 60 006 569 124

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2019

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MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

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CORPORATE DIRECTORY

Directors

Patrick Burke – Non-Executive Chairman
James Allchurch – Managing Director
Ben Phillips – Non-Executive Director
Graham Durtanovich – Non-Executive Director

Company Secretary

Stephen Buckley

Registered office

Ground Floor,
24 Outram Street
West Perth WA 6005
Ph: +61 8 6189 1155
Website: www.mandrakeresources.com.au

Auditors

BDO Audit (WA) Pty Ltd
Level 1
38 Station Street
Subiaco WA 6008

Share Registry

Automic Registry Services
Level 2
267 St Georges Terrace
Perth WA 6000
Ph: 1300 288 664 (within Australia) +61 2 9698 5414
E: hello@automicgroup.com.au
Website: www.automicgroup.com.au

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

Securities Exchange Listing

Australian Securities Exchange Limited

ASX Code – MAN

MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

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DIRECTORS' REPORT

Your directors present their report of the Company and its controlled entities for the financial year ended 30 June 2019.

Information on Directors

The names of directors in office at any time during or since the end of the year are:

Patrick Burke	—	Non-Executive Chairman (appointed 4 August 2019)
Qualifications	—	<i>LLB</i>
Experience	—	<p>Mr Burke holds a Bachelor of Laws from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for a large number of ASX, NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions.</p> <p>Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.</p>
Interest in Shares and Options	—	Nil
Directorships held in listed entities	—	<p>In the past 3 years, Patrick Burke has been a director of:</p> <p>Triton Minerals Limited (Deputy Chairman – appointed 22 July 2016)</p> <p>Meteoric Resources Limited (Non-Executive Chairman – appointed 1 December 2017)</p> <p>Vanadium Resources Limited (Non-Executive Director - appointed 1 July 2017)</p> <p>Koppar Resources Limited (Non-Executive Director - appointed 5 February 2018)</p> <p>Transcendence Technologies Limited (Non-Executive Director - appointed 28 September 2018)</p>
James Allchurch	—	Managing Director (appointed 4 August 2019)
Qualifications	—	<i>BSc (Hons)</i>
Experience	—	<p>Mr Allchurch is a geologist with over 18 years' experience in mineral exploration, geotechnical assessment and mining operations. Mr Allchurch was the Managing Director of ASX-listed company Monto Minerals which controlled copper mining and tin exploration operations in Queensland and has held various Board positions over the previous 10 years including ASX-listed Bligh Resources and various private entities. More recently Mr Allchurch founded a Chilean cobalt mining exploration company, executing detailed exploration activities prior to a cash sale to a US-based fund.</p> <p>Mr Allchurch spent six years working at Ascent Capital and has considerable expertise in the identification and assessment of resource projects over a broad range of commodities in geographies including Europe, Australia, Africa and South America.</p>
Interest in Shares and Options	—	2,500,000 Ordinary fully paid shares
Directorships held in listed entities	—	<p>In the past 3 years, James Allchurch has been a director of:</p> <p>PepinNini Lithium Limited – (Non-Executive Director - appointed 1 July 2019)</p>
Ben Phillips	—	Non-Executive Director (appointed 18 April 2018)
Experience	—	<p>Mr Phillips has over 15 years' experience providing consultation for a broad spectrum of companies including Oil and Gas, Resources, MedTech and Defence. He has provided services to departments ranging from R&D through to product commercialisation and sales.</p>

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Mr Phillips current role in corporate finance focuses on the structuring of 'funding and management' for small cap companies both private and public. Mr Phillips has been working at Ironside Capital since the company's incorporation having previously held a position at Merchant Corporate Finance.

Interest in Shares and Options — Beneficially held through Deep36 Pty Ltd – 1,000,000 Ordinary fully paid shares, 500,000 Unlisted options @ \$0.03 expiring 14 July 2022 escrowed for 24 months and 500,000 Unlisted options @ \$0.03 expiring 14 July 2022

Beneficially held through Bob Alfred Pty Ltd – 1,710,500 Ordinary fully paid shares escrowed 24 months from quotation and 1,710,500 Unlisted options @ \$0.03 expiring 14 July 2022 escrowed for 24 months

Directorships held in listed entities — Nil

Graham Durtanovich — Non-Executive Director (appointed 2 June 2017)

Qualifications — *B.Ec, MBA, AppFin*

Experience — Mr Durtanovich brings extensive financial management experience from a large private enterprise with the construction industry, where he previously held the role of Chief Financial Officer and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance of the company.

Mr Durtanovich holds a Bachelor of Economics, Graduate Diploma in Applied Finance and Investments from FINSIA and a Masters of Business Administration.

Interest in Shares and Options — Beneficially held through Connected Energy Solutions Pty Ltd 3,250,500 Ordinary fully paid shares escrowed 24 months from quotation and 3,250,500 Unlisted options @ \$0.03 expiring 14 July 2022 escrowed 24 months from quotation

Directorships held in listed entities — In the past 3 years, Graham Durtanovich has been a director of:
Rafaella Resources Limited (resigned 24th August 2019)

Peter Wall — Non-Executive Chairman (appointed 2 June 2017; ceased 5 August 2019)

Qualifications *LLB BComm MAppFin FFin*

Experience Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.

Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology companies, resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.

Interest in Shares Beneficially held through Pheakes Pty Ltd ATF Senate Trust 5,000,000 Ordinary Fully Paid Shares and 2,500,000 unlisted options @ \$0.03 expiring 14 July 2022. 2,805,000 Ordinary Fully Paid shares escrowed for 24 months from quotation and 4,055,000 unlisted options @ \$0.03 expiring 14 July 2022 escrowed for 24 months from quotation. Beneficially held through Peter Christopher Wall & Tanya-Lee Wall <Wall Family Super Fund> 2,500,000 Ordinary fully paid shares and 1,250,000 Unlisted Options @ \$0.03 expiring 14 July 2022.

Directorships held in listed entities In the past 3 years, Peter Wall has been a director of:
Minbos Resources Ltd (Non-Executive Chairman - appointed 21 February 2014)
Myfiziq Limited (Non-Executive Chairman - appointed 25 May 2015)
MMJ Phytotech Ltd (Non-Executive Chairman - appointed 14 August 2014)
Transcendence Technologies Limited (Non-Executive Chairman - appointed 6 October 2015)

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Sky and Space Global Ltd (Non-Executive Chairman- 27 October 2015, resigned December 2108)

Pursuit Minerals Ltd (Non-Executive Chairman – appointed 13 January 2016)

Argent Minerals Limited (Non-Executive Chairman-appointed 23 April 2018)

Company Secretary

Stephen Buckley

— Company Secretary (appointed 2 June 2017)

Qualifications

— *GAICD*

Experience

— Mr Buckley has 37 years' experience in financial markets having worked in both Australia and New Zealand. He is the Managing Director of Company Secretary Solutions Pty Ltd, a company specialising in providing company secretarial, corporate governance and corporate advisory services.

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ANNUAL REPORT 30 JUNE 2019**DIRECTORS' REPORT (CONT)****Meeting of Directors**

There were no Director meetings held during the year.

DIRECTORS' MEETINGS		
	Number eligible to attend	Number Attended
Peter Wall	-	-
Graham Durtanovich	-	-
Ben Phillips	-	-

Principal Activities

The Company was placed in administration on the 9 June 2016 and was dormant for the 2017, 2018 and 2019 financial years.

On the 26th April 2019 a binding heads of agreement was signed with the shareholders of Focus Exploration Pty Ltd (Focus) to acquire 100% of the issued capital of Focus.

Focus is a privately-owned exploration company that was created to identify and secure prospective exploration projects. Focus owns 100% of the Berinka Pine Creek Project which is situated on exploration licence (EL31710) in the Northern Territory.

The project is a gold exploration project within the Pine Creek Orogen of the Northern Territory, located 220km south southwest of Darwin. Detailed targeting work at the 289km² Berinka Pine Creek gold project is well advanced utilizing existing geophysical, geochemical and drillhole datasets.

Gold mineralisation at the project is associated with >10km strike of poorly tested structurally controlled Berinka Volcanics of the Proterozoic Pine Creek Orogen. Previous reverse circulation (RC) drilling has intersected gold mineralisation associated with sulphide rich veins and is open at depth and along strike at the Terrys prospect with a best intersection of 4m @ 6.56g/t from 32m (TRP-018). A complete list of all historic drill intercepts is contained in the Mandrake Resources prospectus.

On 24th May 2019 a Prospectus was lodged for the offer of 225,000,000 Shares (post consolidation) at an issue price of \$0.02 per Share with one (1) free attaching option for every two (2) Shares subscribed, exercisable at \$0.03 per Option on or before 14 July 2022 to raise \$4,500,000 (before costs). Oversubscriptions of up to a further 25,000,000 Shares at an issue price of \$0.02 per Share to raise up to a further \$500,000 could be accepted.

On 5th August 2019 the Company advised that it had changed the Company name from Bronson Group Limited to Mandrake Resources Limited, as approved by shareholders. The ASX Listing Code was changed from "BGR" to "MAN" with effect from 8th August 2019.

On 12th August 2019 the Company announced that it had completed the acquisition of Focus Exploration Pty Ltd.

The Company was reinstated to official quotation and commenced trading on 14th August 2019, following re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company has commenced exploration activities as regards to the development of gold, base metal and other mineral opportunities at the Project.

Operating Results

The consolidated loss of the group after providing for income tax amounted to \$547,107 (2018: Loss of \$594,046).

Dividends Paid or Recommended

No interim dividend (2018: Nil) was paid during the year. No final dividend is recommended by the Directors.

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Review of Operations

The Company was actively seeking business opportunities to relist on the Australian Securities Exchange until announcing on 26th April 2019 that it had entered into a binding heads of agreement with the shareholders of Focus to acquire 100% of the issued capital of Focus.

The Company successfully raised funds in excess of the minimum subscription of \$4,500,000 under a prospectus dated 24 May 2019 and successfully acquired Focus, being reinstated to official quotation from the commencement of trading on Wednesday, 14th August 2019.

Financial Position

The net asset deficiency of the Company at 30 June 2019 was \$489,586 (2018: \$(162,479)).

Significant Changes in State of Affairs

In May 2019 Convertible Loan Agreements to the value of \$220,000 were entered into. Conversion was at \$0.02 with a free attaching option, with a strike price of \$0.03 and expiry of 14th July 2022.

On the 12th June 2019 the Company announced the completion of the consolidation of capital approved by shareholders at the general meeting held on 4 June 2019. The consolidation was made on a 1 for 20 basis with the number of Ordinary Shares on issue before reorganisation of 64,971,877 becoming 3,248,594 on a post consolidation basis and the number of options on issue before reorganisation of 60,000,000 becoming 3,000,001 on a post consolidation basis.

On the 30th July 2019 it was announced that the minimum subscription of \$4,500,000 was raised and the Company was to be renamed Mandrake Resources Limited.

The Company was reinstated to official quotation and commenced trading on 14th August 2019, following re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The Company raised \$4,527,838 pursuant to the offer under its replacement prospectus dated 21 May 2019 by the issue of 226,391,900 shares at an issue price of \$0.02 per share and 113,195,950 free attaching options exercisable at \$0.03 per option on or before 14 July 2022.

Peter Wall resigned as Non-Executive Chairman on the 5th August 2019 following the appointments of James Allchurch as Managing Director and Pat Burke as Non-Executive Chairman on the 4th August 2019.

Environmental Regulations

To the best of the Directors' knowledge, all activities have been undertaken in compliance with the requirements of environmental regulations.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Subsequent Events

Mandrake Resources Limited (formerly Mandrake Resources Limited) (ASX:MAN) reinstated to Official Quotation on the 14th August 2019 following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The Company raised \$4,527,838 pursuant to the offer under its replacement prospectus dated 21 May 2019 by the issue of 226,391,900 shares at an issue price of \$0.02 per share and 113,195,950 free attaching options exercisable at \$0.03 per option on or before 14 July 2022.

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ANNUAL REPORT 30 JUNE 2019**DIRECTORS' REPORT (CONT)****Share Options**

Unissued shares under option

At the date of this report, the un-issued ordinary shares of Mandrake Resources Limited under option are as follows:

Grant Date	Expiry Date	Exercise Price	Number of shares under option
14 July 2017 & 30 November 2017	14 July 2021	\$0.40	3,000,001
14 July 2019 ¹	14 July 2022	\$0.03	182,675,077

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

¹ Options were issued following the successful acquisition of Focus Exploration and the completion of the capital raising.

Indemnification and Insurance of Directors and Officers

The Company indemnifies each of its Directors, Officers and Company Secretary. The Company indemnifies each Director or Officer to the maximum extent permitted by the Corporations Act 2001 from liability to third parties, except where the liability arises out of conduct involving lack of good faith, and in defending legal and administrative proceedings and applications for such proceedings.

The Company must use its best endeavours to insure a Director or Officer against any liability, which does not arise out of conduct constituting a wilful breach of duty or a contravention of the Corporations Act 2001. The Company must also use its best endeavours to insure a Director or Officer against liability for costs and expenses incurred in defending proceedings whether civil or criminal.

The Company has not entered into any agreement with its current auditors indemnifying them against any claims by third parties arising from their report on the financial report.

On the 12 June 2019, Director and Officers Insurance was taken out with Liberty Mutual Insurance Company for \$18,150 (Incl. GST).

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory duties where the auditor's expertise and experience with the Company and/or group are important.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services provided during the year are set out in note 15.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 13.

REMUNERATION REPORT (AUDITED)

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
4. Non-executive director fee arrangements
5. Details of remuneration
6. Additional disclosures relating to options and shares
7. Loans to key management personnel (KMP) and their related parties
8. Consultancy Agreements, and other transactions and balances with KMP and their related parties

The names of the directors in office at any time during or since the end of the financial year are:

Pat Burke – Non-Executive Chairman (appointed 4 August 2019)

Graham Durtanovich – Non-Executive Director (appointed 2 June 2017)

Ben Phillips – Non-Executive Director (appointed 18 April 2018)

James Allchurch – Managing Director (appointed 4 August 2019)

Peter Wall – Non-Executive Chairman (appointed 2 June 2017, ceased 5 August 2019)

1. Introduction

The remuneration policy of the Company has been designed to ensure reward for performance is competitive and appropriate to the result delivered. The framework aligns executive reward with the creation of value for shareholders and conforms to market best practice. The Board ensures that Director and executive reward satisfies the following key criteria for good reward government practices:

- Competitiveness and reasonableness;
- Acceptability to the shareholder;
- Performance;
- Transparency; and

Capital management.

2. Remuneration governance

Throughout the financial year, the Company did not have a remuneration committee as the directors believed the size of the consolidated entity and the size of the Board did not warrant its existence.

3. Executive remuneration arrangements

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is based on the following:

- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation and options.
- Incentives paid in the form of options are intended to align the interests of the directors and Company with those of the shareholders.
- KMP receive a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payment towards superannuation.
- Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination will lapse. The Non-Executive Directors are not entitled to retirement benefits.
- All remuneration paid to KMP is valued at the cost to the Company and expensed.

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REMUNERATION REPORT (AUDITED) (CONT)

4. Non-executive director fee arrangements

The Board policy is to remunerate Non-Executive Directors at a level to comparable Companies for time, commitment, and responsibilities. Non-executive Directors do not receive performance related compensation. Directors' fees cover all main Board activities and membership of any committee. The Board has no established retirement or redundancy schemes in relation to Non-Executive Directors.

The Non-Executive Directors have or may be provided with options that are meant to incentivise the Non-Executive Directors. The board determines payments to the Non-Executive Directors and reviews their remuneration annually based on market practice, duties, and accountability. Independent external advice will be sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is \$300,000 per annum and any change is subject to approval by shareholders at a General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company.

Fees for the Non-Executive Directors for the financial year were \$108,000 which was accrued and not paid in cash.

5. Details of Remuneration

The Key Management Personnel of Mandrake Resources Limited includes the Directors of the Company.

30 June 2019	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Non-Executive Directors						
Peter Wall (1)	36,000	-	-	-	36,000	-
Ben Phillips (2)	36,000	-	-	-	36,000	-
Graham Durtanovich (3)	36,000	-	-	-	36,000	-
Total	108,000	-	-	-	108,000	-

(1) Appointed 2 June 2017

(2) Appointed 18 April 2018

(3) Appointed 2 June 2017

30 June 2018	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Non-Executive Directors						
Peter Wall	36,000	-	-	-	36,000	-
Adam Blumenthal (1)	33,000	-	-	-	33,000	-
Graham Durtanovich	36,000	-	-	-	36,000	-
Ben Phillips	4,800	-	-	-	4,800	-
Total	109,800	-	-	-	109,800	-

(1) Ceased 18th April 2018

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ANNUAL REPORT 30 JUNE 2019**REMUNERATION REPORT (AUDITED) (CONT)****6. Additional disclosures relating to options and shares****KMP Options and Rights Holdings**

The table below discloses the number of share options granted, vested or lapsed during the year.

Share options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

30 June 2019	Balance at the start of the year	Purchase of Options	Granted as Compensation and Exercisable	Options Expired	Rights Expired	Balance at end of Year
Peter Wall	-	-	-	-	-	-
Ben Phillips	-	-	-	-	-	-
Graham Durtanovich	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note

In May 2019 Peter Wall participated through a Convertible Loan Agreement for \$50,000. The Convertible Note Agreement converted on the basis of one share and one free attaching option for every \$0.02 invested with the free attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022.

Ben Phillips participated in the same Convertible Loan Agreement to the value of \$20,000.

KMP Shareholdings

The number of ordinary shares in Mandrake Resources Limited held by each KMP of the Group during the financial year is as follows:

30 June 2019	Balance at the start of the year	Shares Purchased	Granted as Compensation	Options Exercised	Other changes during the year	Balance at end of Year
Peter Wall	-	-	-	-	-	-
Ben Phillips	-	-	-	-	-	-
Graham Durtanovich	-	-	-	-	-	-
Total	-	-	-	-	-	-

Note

In May 2019 Peter Wall participated through a Convertible Loan Agreement for \$50,000. The Convertible Note Agreement converted on the basis of one share and one free attaching option for every \$0.02 invested with the free attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022.

Ben Phillips participated in the same Convertible Loan Agreement to the value of \$20,000.

7. Loans to KMP and their related parties

There were no loans to KMP and the related parties during the financial year.

REMUNERATION REPORT (AUDITED) (CONT)

8. Consultancy agreements, and other transactions and balances with KMP and their related parties

During the reporting period, the Company engaged the services of the following related parties on normal commercial terms and conditions no more favourable than those available to other parties:

- Steinepreis Paganin, an entity associated with Mr Peter Wall, invoiced a total of \$172,271 (incl GST) in relation to legal services provided to the Company. \$124,481 (incl GST) related to the transaction with Focus Exploration Pty Ltd.
- Chaperon Corporate, an entity associated with Graham Durtanovich, received payments totalling \$17,810 (incl GST) in relation to accounting services provided to the Company.
- Ironside Capital was engaged as Corporate Advisor on 23 April 2019 on a monthly fee of \$5,500 (incl GST) and then increasing to \$7,700 (incl GST) post requotation. Ben Phillips is employed by Ironside Capital.

Ironside Capital have a mandate, signed on the 23rd April 2019 for a 12 month period. Steinepreis Paganin and Chaperon Corporate do not have a formal consulting agreement.

There were no other transactions with KMP and their related parties.

Signed in accordance with a resolution of the directors.



Patrick Burke
Non-Executive Chairman
Dated 25 September 2019

**Mandrake Resources Limited ABN 60 006 569 124
and Controlled Entities**



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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF MANDRAKE RESOURCES LIMITED

As lead auditor of Mandrake Resources Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mandrake Resources Limited and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'J Prue', is written over a light blue horizontal line.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 25 September 2019

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

		Consolidated Group	
	Note	30.06.2019	30.06.2018
		\$	\$
Interest Received	2	14	507
Audit and Accounting		(76,734)	(39,191)
Corporate Fees		-	(60,000)
Director Fees		(108,000)	(108,000)
Travel expenses		(1,498)	(69,630)
Financial expenses		(216)	(595)
Legal compliance and professional fees		(180,589)	(181,891)
Share Registry Fees		(17,533)	(3,087)
Other expenses		(162,550)	(132,159)
(Loss) before income tax		(547,107)	(594,046)
Income tax benefit/(expense)	3	-	-
(Loss) for the year		(547,107)	(594,046)
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(547,107)	(594,046)
Earnings per share			
Basic (loss) per share	5	0.168	0.202
Diluted (loss) per share	5	N/A	N/A

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

		Consolidated Group	
	Note	30.06.19	30.06.18
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	84,115	50,334
Other receivables	7	77,854	20,545
TOTAL CURRENT ASSETS		161,969	70,879
TOTAL ASSETS		161,969	70,879
CURRENT LIABILITIES			
Trade and other payables	8	651,556	233,358
TOTAL CURRENT LIABILITIES		651,556	233,358
TOTAL LIABILITIES		651,556	233,358
NET LIABILITIES		(489,586)	(162,479)
EQUITY			
Ordinary Share Capital	9	13,011,070	13,011,070
Convertible Loan Note Reserve		220,000	-
Option Reserve		285	285
Accumulated (Losses)		(13,720,941)	(13,173,835)
TOTAL DEFICIENCY IN EQUITY		(489,586)	(162,479)

The above Statement of Financial Position should be read in conjunction with the accompanying notes

**Mandrake Resources Limited ABN 60 006 569 124
and Controlled Entities**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Ordinary Share Capital	Convertible Loan Note Reserve	Option Reserve	Accumulated (Losses)	Total Equity
	\$	\$	\$	\$	\$
Consolidated Group					
Balance at 1.7.2017	12,738,070	-	-	(12,579,789)	158,281
Share Issue Expenses	(27,000)	-	-	-	(27,000)
Loss for the year	-	-	-	(594,046)	(594,046)
Transactions with owners in their capacity as owners					
Shares issued during the year	300,000	-	-	-	300,000
Option Reserve	-	-	285	-	285
Balance at 30.06.2018	13,011,070	-	285	(13,173,835)	(162,479)
Balance at 1.7.2018	13,011,070	-	285	(13,173,835)	(162,479)
Loss for the year	-	-	-	(547,107)	(547,107)
Transactions with owners in their capacity as owners					
Issue of Convertible Notes	-	220,000	-	-	220,000
Balance at 30.6.2019	13,011,070	220,000	285	(13,720,942)	(489,586)

The above consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

**Mandrake Resources Limited ABN 60 006 569 124
and Controlled Entities**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Consolidated Group	
		30.06.2019	30.06.2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(186,233)	(436,502)
Interest received		14	507
Net cash (outflow) inflow from operating activities	12	(186,219)	(435,995)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of share issue cost		-	(27,000)
Issue of Convertible Notes		220,000	300,000
Net cash inflow from financing activities		220,000	273,000
Net decrease in cash held		33,781	(162,994)
Cash at beginning of year		50,334	213,328
Cash and cash equivalents carried forward		84,115	50,334

The above consolidated Statement of Cashflows should be read in conjunction with the accompanying notes

NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Mandrake Resources Limited and controlled entities ('Consolidated Group' or 'Group').

The separate financial statements of the parent entity, Mandrake Resources Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial report was authorised for issue on 25 September 2019 by the Board of Directors.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Going Concern

The financial statements have been prepared on the going concern basis, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The net loss after income tax for the consolidated entity for the financial year ended 30 June 2019 was \$547,107, and as at 30 June 2019, total liabilities exceeded total assets by \$489,586. Of total creditors of \$543,656, \$264,015 has indefinite credit terms as it relates to Director payments. On the 12th August 2019 Mandrake Resources Limited was reinstated to official quotation post the raise of \$4,527,838 being completed. Refer to Note 11 for further details of events subsequent to the year-end.

Forecast Cash Flows demonstrates the Group can operate on a Going Concern basis.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Mandrake Resources Limited at the end of the reporting period. A controlled entity is any entity over which Mandrake Resources Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 18 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

Mandrake Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group under the tax consolidation regime. The tax consolidated group has entered a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

d. Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

f. Revenue

Interest revenue is recognised as the interest accrues (using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the instrument) to the net carrying amount of the financial asset.

g. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for expected credit losses.

h. Trade and Other Payables

Liabilities for trade creditors and other payables are initially measured at fair value and subsequently carried at amortised cost which is the amount of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. The amounts are unsecured and are usually paid within 30 days. Payables to related parties are carried at the principal amount.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

j. Segment Information

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An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of Directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services,
- Type or class of customer for the products and services,
- Methods used to distribute the products or provide the services, and if applicable
- Nature of the regulatory environment

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the Financial Statements.

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The Group does not have any material operating segments with discrete financial information. The Group does not have any customers and all its' assets and liabilities are primarily related to the corporate office and are located within Australia. The Board of Directors review internal management reports on a regular basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

k. **Borrowings**

In May 2019 the issue of Convertible Notes to the value of \$220,000 occurred. As these Convertible Notes were issued with the expectation of converting to equity, it has been treated as equity within the accounts, with the full amount being taken to an equity reserve "Convertible Loan Note Reserve". The terms of the notes are such that, assuming approval of Shareholders to convert at a General Meeting, under no circumstance would the group be liable to settle the instruments in cash, and for this reason are treated as equity rather than as a liability in the financial statements.

l. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

m. **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Group, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares outstanding plus the weighted average number of ordinary shares that would be issued on the conversion of all potential ordinary shares into ordinary shares.

n. **Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

o. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends

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and economic data, obtained both externally and within the group. In May 2019 the issue of Convertible Notes to the value of \$220,000 occurred. As these Convertible Notes were issued with the expectation of converting to equity, it has been treated as equity within the accounts. Subsequent to the year-end, they were converted, as noted in Note 11.

Changes in accounting policies

This note explains the impact of the adoption of AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* on the group's financial statements and also discloses the new accounting policies that have been applied from 1 July 2018, where they are different to those applied in prior periods.

AASB 9 Financial Instruments – Impact of Adoption

Impairment of financial assets

The Group's financial assets subject to AASB 9's new expected credit loss model are cash and trade receivables, which arise from the provision of services and sale of goods.

The impact of the impairment requirements of AASB 9 on cash and cash equivalents has not resulted in a material impact to the financial statements.

Under AASB 9, the Group was required to revise the impairment methodology used in the calculation of its provision for doubtful debts to the expected credit loss model. This change in methodology has not had a material impact on the financial statements. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure or a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

AASB 9 Financial Instruments – Accounting Policies Applied from 1 July 2018

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on how the Group manages the financial assets and the contractual terms of the cash flows. At half year end, all of the Group's financial assets have been classified as those to be measured at amortised cost.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

From 1 July 2018, the Group assesses expected credit losses associated on a forward looking basis. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

AASB 15 Revenue from Contracts with Customers – Impact of Adoption

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 1 July 2018. As the group currently has no revenue streams beyond interest income earned from cash deposits, this has not resulted in any adjustments being made to the financial statements, and no changes to the accounting policies of the group.

Accounting Policies issued not yet effective

The group has not applied any new accounting policies that have been issued but are not yet effective. The most significant such accounting policy is AASB 16 *Leases*, which the group will apply from 1 July 2019. AASB 16 eliminates the operating and finance lease classification for lessees as currently accounted for under AASB 117 *Leases*. It instead requires an entity to bring most leases onto the Statement of Financial Position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its Statement of Financial Position for most leases. There are some optional exemptions for leases with a period of 12 months or less, and for some low-value leases.

The Group is currently in the process of determining the impact of the application of AASB 16 to the Financial Statements of the Group.

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2019
\$

2018
\$

NOTE 2: REVENUE AND OTHER INCOME

Revenue

Interest received or due and receivable from other persons	14	507
	14	507

2019
\$

2018
\$

NOTE 3: OPERATING (LOSS)

(Loss) before income tax expense includes the following expenses

Audit and Accounting	76,734	-
Financial expenses	216	595
Legal compliance and professional fees	180,589	181,891
Other	288,083	373,787
Travel	1,498	69,630

NOTE 3: INCOME TAX EXPENSE

2019
\$

2018
\$

a. The components of income tax expense comprise:

Current tax	-	-
Deferred tax	-	-
Utilisation of deferred tax assets previously not recognised	-	-
Deferred tax assets not recognised (losses)	(150,454)	(152,515)
Deferred tax assets not recognised (temporary)	-	-
	(150,454)	(152,515)

b. The prima facie tax on (loss) from ordinary activities before income tax is reconciled to the income tax as follows:

Accounting profit (loss) from continuing operations before income tax	(547,107)	(594,046)
Prima facie tax payable on (profit) from ordinary activities before income tax at 27.5% (2018: 27.5%)	(150,454)	(163,363)

Add:

Tax effect of:

— Other non-allowable items	29	(10,848)
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Less:

Tax effect of:

— Utilisation of deferred tax assets previously not recognised	-	-
— Deferred tax assets not recognised (losses)	150,425	152,515
— Deferred tax assets not recognised (temporary)	-	-
Income tax expense/(benefit)	-	-

NOTE 4: DIVIDENDS

No dividends have been paid during the financial year (2018: nil)

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NOTE 5: EARNINGS PER SHARE

		2019	2018
Net (loss) used in the calculation of basic EPS	\$	(547,107)	(594,046)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	No.	3,248,594	2,935,407
Basic (loss) per share	\$	(0.168)	(0.202)

For the year ended 30 June 2019, diluted earnings per share was not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

NOTE 6: CASH AND CASH EQUIVALENTS

		2019	2018
		\$	\$
Cash at bank and on hand		84,115	50,334
		<u>84,115</u>	<u>50,334</u>

NOTE 7: OTHER RECEIVABLES

		2019	2018
		\$	\$
CURRENT			
Other receivables		77,854	20,545
		<u>77,854</u>	<u>20,545</u>

The group have considered the other receivables as not impaired or past due.

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Trade payables and other payables		651,556	233,359
		<u>651,556</u>	<u>233,359</u>

NOTE 9: CONTRIBUTED EQUITY

a. Share Capital

		2019	2018
		No.	No.
Ordinary fully paid shares		3,248,594	64,971,877

Movement in ordinary shares on issue

		No.	\$
Balance at 1 July 2017		49,971,877	12,738,070
Shares issued on 30 November 2017		15,000,000	300,000
Share Issue Costs		-	(27,000)
Balance at 30 June 2018		64,971,877	13,011,070
Consolidation on 12 June 2019		(61,723,283)	-
Balance at 30 June 2019		3,248,594	13,011,070

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

On 7th June 2019 a 1 for 20 consolidation was completed.

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b. Convertible Loan Note Reserve

	2019	2018
	\$	\$
Convertible loans	220,000	-

During the year, the company entered into converting loan agreements with various lenders, for a total of \$220,000. The loans are interest free and unsecured. At 30 June 2019, these amounts are recorded in a separate equity reserve pending conversion.

Subsequent to 30 June 2019, these loan converted into 11,000,000 shares and 11,000,000 options.

c. Options

Date of issue	Expiry date	No. of options	Exercise price
14 July 2017	14 July 2021	2,250,001	\$0.40
30 November 2017	14 July 2021	750,000	\$0.40

As a result of the consolidation on 12 June 2019, the previous number of options on issue (60,000,000) consolidated to 3,000,001, and the exercise price increased, from \$0.02 to \$0.40.

Subsequent to 30 June 2018, an additional 182,675,078 options were issued, with an exercise price of \$0.03 per option.

d. Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

NOTE 10: COMMITMENTS AND CONTINGENCIES

There are no material commitments or contingencies within the group at reporting date.

NOTE 11: EVENTS SUBSEQUENT TO BALANCE DATE

On 5th August 2019 the Company advised that it had changed the Company name from Bronson Group Limited to Mandrake Resources Limited, as approved by shareholders. The ASX Listing Code was changed from "BGR" to "MAN" with effect from 8th August 2019.

On 12th August 2019 the Company announced that it had completed the acquisition of Focus Exploration Pty Ltd.

Mandrake Resources Limited (formerly Mandrake Resources Limited) (ASX:MAN) reinstated to Official Quotation on the 14th August 2019 following its re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The Company raised \$4,527,838 pursuant to the offer under its replacement prospectus dated 21 May 2019 by the issue of 226,391,900 shares at an issue price of \$0.02 per share and 113,195,950 free attaching options exercisable at \$0.03 per option on or before 14 July 2022.

The Convertible Loan Notes, with a total value of \$220,000, converted on 14 July 2019 into 11,000,000 ordinary shares, and 11,000,000 options with an exercise price of \$0.03/ option.

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ANNUAL REPORT 30 JUNE 2019**NOTE 12: CASH FLOW INFORMATION****Reconciliation of profit/(loss) after income tax expense to net cash used in operating activities**

	2019	2018
	\$	\$
Loss for the year	(547,107)	(594,046)
Non-cash items recorded in Profit and Loss:		
Share-based payments	-	285
Changes in working capital balances		
Trade and other receivables	(57,309)	15,110
Trade and other payables	418,197	142,656
	<u>(186,219)</u>	<u>(435,995)</u>

NOTE 13: RELATED PARTY TRANSACTIONS**a. Related parties**

The Group's main related parties are as follows:

(i) Entities exercising control over the Group:

The ultimate parent entity that exercises control over the Group is, Mandrake Resources Limited which is incorporated in Australia.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 14.

(iii) Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

b. Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- Steinepreis Paganin, an entity associated with Mr Peter Wall, received payments totalling \$172,271 (incl GST) in relation to legal services provided to the Company.
- Chaperon Corporate, an entity associated with Graham Durtanovich, received payments totalling \$17,810 (incl GST) in relation to accounting services provided to the Company.
- Ironside Capital, an entity associated with Ben Phillips, signed a corporate mandate on 23 April 2019 for monthly services at \$5,500 (incl GST) until relisting when it increases to \$7,700 (incl GST).
- In May 2019 Peter Wall participated through a Convertible Loan Agreement for \$50,000. The Convertible Note Agreement converted on the basis of one share and one free attaching option for every \$0.02 invested with the free attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022.
- Ben Phillips participated in the same Convertible Loan Agreement to the value of \$20,000.

There were no other transactions with KMP and their related parties other than what is disclosed in note 14.

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ANNUAL REPORT 30 JUNE 2019**NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2019.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	2019	2018
	\$	\$
Short-term employee benefits	108,000	109,800
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
Total KMP compensation	108,000	109,800

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

These amounts are the current-year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 15: AUDITOR'S REMUNERATION

	2019	2018
	\$	\$
Remuneration of the auditor for:		
– auditing and reviewing the financial statements – Hall Chadwick (NSW)	-	22,043
– auditing or reviewing the financial statements – BDO Audit (WA) Pty Ltd	37,591	15,000
- Tax returns	9,864	-
– Relisting services	18,690	-
	66,145	37,043

NOTE 16: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**Interest Rate Risk**

At reporting date, the Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash. The Group constantly analyses its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

At reporting date, the Group had the following financial assets exposed to variable interest rates that are not designated in cash flow hedges:

	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents – interest bearing	84,115	50,334

Sensitivity

At 30 June 2019, if interest rates had increased by 0.5% from the year end variable rates with all other variables held constant, post tax profit and equity for the group would have been \$421 higher (2018: changes of 0.5% \$252 higher). The 0.5% (2018: 0.5%) sensitivity is based on reasonably possible changes over a financial year, using an observed range of historical RBA movements over the last year.

Liquidity Risk

The Group has no significant exposure to liquidity risk as there is effectively no debt. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

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Credit Risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group measures credit risk on a fair value basis.

Significant cash deposits are with institutions with a minimum credit rating of AA (or equivalent) as determined by a reputable credit rating agency e.g. Standard & Poor.

The Group does not have any other significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics.

NOTE 17: PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

	2019	2018
	\$	\$
Financial position of the parent entity at year end		
Current assets	161,969	70,879
Total assets	161,969	70,879
Current Liabilities	651,556	233,358
Total liabilities	651,556	233,358
Total equity of the parent entity comprising of:		
Share capital	13,011,070	13,011,070
Reserves	220,285	285
Retained earnings	(13,720,941)	(13,173,835)
Total equity	(489,586)	(162,479)
Statement of Profit or Loss and Other Comprehensive Income		
Total Profit/(loss)	(547,107)	(594,046)
Total comprehensive income	(547,107)	(594,046)

COMMITMENTS AND CONTINGENCIES

Mandrake Resources Limited does not have any commitments and contingent assets and liabilities at 30 June 2019.

NOTE 18: CONTROLLED ENTITIES

No controlled entities were acquired during the financial year.

Bronson Marketing Pty Ltd (100% Owned) was deregistered on 3rd October 2018.

DIRECTORS' DECLARATION

In the opinion of the Directors of Mandrake Resources Limited and its controlled entities ('the Group'):

- 1) As set out in note 1, although the Directors have prepared the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the financial statements, notes thereto, and the remuneration disclosures contained in the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - a) giving a true and fair view of the Group of Company's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- 2) As previously disclosed the directors are unable to declare that
 - a) the financial records of the Company have been properly maintained in accordance with S286 of the Corporations Act 2001:
 - b) the financial statements and notes for the year comply with Accounting Standards and
 - c) the financial statements and notes for the financial year give a true and fair view.
- 3) With respect to the ability of the Company's ability to pay its debts as and when they become due and payable, the directors draw attention to Notes 1 (a) and (b) to the financial statements.
- 4) Subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Patrick Burke
Non-Executive Chairman
Dated 25 September 2019

MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

ANNUAL REPORT 30 JUNE 2019



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INDEPENDENT AUDITOR'S REPORT

To the members of Mandrake Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Mandrake Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Accounting for Convertible Notes

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the year, Mandrake Resources Limited entered into convertible loan agreements with multiple subscribers, for a total value of \$220,000. All notes, subject to, and conditional upon the Borrower obtaining Shareholder approval in general meeting, which was achieved on 4 June 2019, convert to shares and options. Refer to Note 9 in the financial report for details. Subsequent to year end, all the notes converted to shares and options, as disclosed in note 11 in the financial report.</p> <p>We have identified the accounting for the convertible securities as a key audit matter due to the complexity and required judgements involved in determining the appropriate accounting treatment and classification in the financial report under applicable accounting standards.</p>	<p>Our audit procedures in this area included, but were not limited to:</p> <ul style="list-style-type: none"> • Reviewing the relevant agreements to understand the key terms and conditions of the instruments; • Assessing whether management's assessment of the classification of the instruments were in accordance with accounting standards; and • Assessing the adequacy of the related disclosures in the financial report, as disclosed in note 9 and note 11.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9-12 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Mandrake Resources Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO
A handwritten signature in dark ink, appearing to read 'J Prue', is written over the BDO logo.

Jarrad Prue

Director

Perth, 25 September 2019

MANDRAKE RESOURCES LIMITED

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CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement is current as at 25 September 2019 and has been approved by the Board of Mandrake Resources Ltd ("Mandrake" or "the Company").

This Corporate Governance Statement discloses the extent to which the Company follows the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations 3rd Edition (Recommendations). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons for not following them, along with what (if any) alternative governance practices have been adopted in lieu of the Recommendation.

The Company was in suspension from 9 June 2016 and was reinstated to quotation to the Official List on the ASX from commencement of trading on Wednesday, 14 August 2019.

The Board of the Company has not yet formed an audit committee, nomination committee, risk management committee or remuneration committee.

The Company's Corporate Governance Policies are contained within the Corporate Governance Plan and available on the Company's website at www.mandrakeresources.com.au

Principle 1: Lay solid foundations for management and oversight

Roles of the Board & Management

The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from the Company's Constitution.

The Board is responsible for, and has the authority to determine all matters relating to the strategic direction, policies, practices, establishing goals for management and the operation of the Company. The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director.

The role of management is to support the Managing Director and implement the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board.

In addition to matters it is expressly required by law to approve, the Board has reserved the following matters to itself:

- Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.
- Appointment, and where necessary, the replacement, of the Managing Director and other senior executives and the determination of their terms and conditions including remuneration and termination.
- Approving the Company's remuneration framework.
- Monitoring the timeliness and effectiveness of reporting to Shareholders.
- Reviewing and ratifying systems of audit, risk management and internal compliance and control, codes of conduct and legal compliance to minimise the possibility of the Company operating beyond acceptable risk parameters.
- Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the Company has sufficient clarity to be actively monitored.
- Approving the annual, half yearly and quarterly accounts.
- Approving significant changes to the organisational structure.
- Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends.
- Recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them (in accordance with the ASX Listing Rules if applicable).
- Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.
- Procuring appropriate professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted, and that its practice is consistent with, a number of guidelines including:
 - i. Corporate Code of Conduct;
 - ii. Performance Evaluation Policy;
 - iii. Continuous Disclosure Policy;
 - iv. Risk Management Policy;
 - v. Trading Policy;
 - vi. Diversity Policy; and
 - vii. Shareholder Communications Strategy.

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Subject to the specific authorities reserved to the Board under the Board Charter, the Board delegates to the Managing Director responsibility for the management and operation of Mandrake. The Managing Director is responsible for the day-to-day operations, financial performance and administration of Mandrake within the powers authorised to him from time-to-time by the Board. The Managing Director may make further delegation within the delegations specified by the Board and will be accountable to the Board for the exercise of those delegated powers.

Further details of Board responsibilities, objectives and structure are set out in the Board Charter which is contained within the Corporate Governance Plan on the Company's website at www.mandrakeresources.com.au.

Board Committees

The Board currently considers that the Company is not of a size, nor are its affairs of such complexity to justify the formation of separate committees including audit and risk, remuneration or nomination committees, preferring at this stage of the Company's development to manage the Company through the full Board of Directors. The Board assumes the responsibilities normally delegated to the audit and risk, remuneration and nomination committees.

If the Company's activities increase in size, scope and nature, the appointment of separate committees will be reviewed by the Board and implemented if considered appropriate.

Board Appointments

The Company undertakes comprehensive reference checks prior to appointing a Director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of Director. The Company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

The terms of the appointment of a Non-Executive Director, executive Directors and senior executives are agreed upon and set out in writing at the time of appointment.

The Company Secretary

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board, including agendas, Board papers and minutes, advising the Board and its Committees (as applicable) on governance matters, monitoring that the Board and Committee policies and procedures are followed, communication with regulatory bodies and the ASX and statutory and other filings.

Diversity

The Board has adopted a Diversity Policy which provides a framework for the Company to achieve measurable diversity objectives, including in respect to gender, age, ethnicity and cultural diversity. The Diversity Policy allows the Board to set measurable objectives (if considered appropriate) and to assess annually both the objectives (if any have been set) and the Company's progress towards achieving them.

The Board currently considers that due to the size, nature and stage of development of the Company, setting measurable objectives for the Diversity Policy is not appropriate. The Board will consider setting measurable objectives as the Company increases in size and complexity.

The participation of women in the Company at the date of this report is as follows:

- | | |
|--|----|
| • Women employees in the Company | 0% |
| • Women in senior management positions | 0% |
| • Women on the Board | 0% |

The Company's Diversity Policy is available within the Corporate Governance Plan on the Company's website at www.mandrakeresources.com.au.

Board & Management Performance Review

On an annual basis, the Board conducts a review of its structure, composition and performance.

The annual review includes consideration of the following measures:

- comparing the performance of the Board with the requirements of its Charter;
- assessing the performance of the Board over the previous 12 months having regard to the corporate strategies, operating plans and the annual budget;
- examination of the Board's interaction with management;
- the nature of information provided to the Board by management;
- management's performance in assisting the Board to meet its objective; and
- identifying any necessary or desirable improvements to the Board Charter.

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The method and scope of the performance evaluation will be set by the Board and may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

The Chairman has primary responsibility for conducting performance appraisals of Non-Executive Directors, in conjunction with them, having particular regard to:

- contribution to Board discussion and function;
- degree of independence including relevance of any conflicts of interest;
- availability for and attendance at Board meetings and other relevant events;
- contribution to Company strategy;
- membership of and contribution to any Board committees; and
- suitability to Board structure and composition.

The Board conducts an annual performance assessment of the Managing Director against agreed key performance indicators.

The Managing Director conducts an annual performance assessment of senior executives against agreed key performance indicators.

Given the fact the Company was only reinstated in August 2019, no formal appraisal of the Board or any senior executive has been conducted.

Independent Advice

Directors have a right of access to all Company information and executives. Directors are entitled, in fulfilling their duties and responsibilities, to seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

Principle 2: Structure the board to add value

Board Composition

During the financial year and to the date of this report the Board was comprised of the following members:

Mr Patrick Burke	Non-Executive Chairman (appointed 4 August 2019);
Mr James Allchurch	Managing Director (appointed 4 August 2019);
Mr Graham Durtanovich	Non-Executive Director (appointed 2 June 2017);
Mr Ben Phillips	Non-Executive Director (appointed 18 April 2018);
Mr Peter Wall	Non-Executive Chairman (appointed 2 June 2017: ceased 5 August 2019);

Mandrake has adopted a definition of 'independence' for Directors that is consistent with the Recommendations.

The Board is comprised of a majority of Non-Executive Directors with all being considered independent.

The Board does not consider Mr Allchurch to be independent as he is an Executive Director of the Company.

Board Selection Process

The Board considers that a diverse range of skills, backgrounds, knowledge and experience is required in order to effectively govern Mandrake. The Board believes that orderly succession and renewal contributes to strong corporate governance and is achieved by careful planning and continual review.

The Board is responsible for the nomination and selection of Directors. The Board reviews the size and composition of the Board regularly and at least once a year as part of the Board evaluation process.

The Board will establish a Board Skills Matrix. The Board Skills Matrix will include the following areas of knowledge and expertise:

- strategic expertise;
- specific industry knowledge;
- accounting and finance;
- risk management;
- experience with financial markets; and
- investor relations.

Induction of New Directors and Ongoing Development

New Directors are issued with a formal Letter of Appointment that sets out the key terms and conditions of their appointment, including Director's duties, rights and responsibilities, the time commitment envisaged, and the Board's expectations regarding involvement with any Committee work.

An induction program is in place and new Directors are encouraged to engage in professional development activities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Principle 3: Act ethically and responsibly

The Company has implemented a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

All employees and Directors are expected to:

- behave honestly and with integrity and report other employees who are behaving dishonestly;
- carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality goods and services;
- operate within the law at all times;
- act in the best interests of the Company;
- follow the policies of the Company; and
- act in an appropriate business-like manner when representing the Company in public forums.

An employee that breaches the Code of Conduct may face disciplinary action including, in the cases of serious breaches, dismissal. If an employee suspects that a breach of the Code of Conduct has occurred or will occur, he or she must report that breach to the Company Secretary, or in their absence, the Chairman. No employee will be disadvantaged or prejudiced if he or she reports in good faith a suspected breach. All reports will be acted upon and kept confidential.

Principle 4: Safeguard integrity in corporate reporting

The Board as a whole fulfills the functions normally delegated to the Audit Committee as detailed in the Audit Committee Charter.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company throughout the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

The Board will receive regular reports from management and from its external auditors. It also meets with the external auditors as and when required.

The external auditors attend Mandrake's AGM and are available to answer questions from security holders relevant to the audit.

Prior approval of the Board must be gained for non-audit work to be performed by the external auditor. There are qualitative limits on this non-audit work to ensure that the independence of the auditor is maintained.

There is also a requirement that the lead engagement partner responsible for the audit not perform in that role for more than five years.

Managing Director and CFO Certifications

The Board, before it approves the entity's financial statements for a financial period, receives from its Managing Director and CFO (or, the persons fulfilling those functions) a declaration provided in accordance with Section 295A of the Corporations Act that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Principle 5: Make timely and balanced disclosure

The Company has a Continuous Disclosure Policy which outlines the disclosure obligations of the Company as required under the ASX Listing Rules and Corporations Act. The policy is designed to ensure that procedures are in place so that the market is properly informed of matters which may have a material impact on the price at which Company securities are traded.

The Board considers whether there are any matters requiring disclosure in respect of each and every item of business that it considers in its meetings. Individual Directors are required to make such a consideration when they become aware of any information in the course of their duties as a Director of the Company.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company.

The Board has designated the Company Secretary as the person responsible for communicating with the ASX. All key announcements at the discretion of the Managing Director are to be circulated to and reviewed by all members of the Board.

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The Chairman, the Board, Managing Director and the Company Secretary are responsible for ensuring that:

- Company announcements are made in a timely manner, that announcements are factual and do not omit any material information required to be disclosed under the ASX Listing Rules and Corporations Act; and
- Company announcements are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Principle 6: Respect the rights of security holders

The Company recognises the value of providing current and relevant information to its shareholders. The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the Company website, information posted or emailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to clear and understandable information about the Company; and
- making it easy for shareholders to participate in general meetings of the Company.

The Company also makes available a telephone number and provides an online enquiry tool for shareholders to make enquiries of the Company. These contact details are available on the "Contact" page of the Company's website.

Shareholders may elect to, and are encouraged to, receive communications from Mandrake and Mandrake's securities registry electronically. The contact details for the registry are accessible from the "Contact Us" page of the Company's website.

The Company maintains information in relation to its Constitution, governance documents, Directors and senior executives, Board and committee charters, annual reports and ASX announcements on the Company's website.

Principle 7: Recognise and manage risk

The Board is committed to the identification, assessment and management of risk throughout Mandrake's business activities.

The Board is responsible for the oversight of the Company's risk management and internal compliance and control framework. The Company does not have an internal audit function. Responsibility for control and risk management is delegated to the appropriate level of management within the Company with the Managing Director having ultimate responsibility to the Board for the risk management and internal compliance and control framework. Mandrake has established policies for the oversight and management of material business risks.

Mandrake's Risk Management and Internal Compliance and Control Policy recognises that risk management is an essential element of good corporate governance and fundamental in achieving its strategic and operational objectives. Risk management improves decision making, defines opportunities and mitigates material events that may impact security holder value.

Mandrake believes that explicit and effective risk management is a source of insight and competitive advantage. To this end, Mandrake is committed to the ongoing development of a strategic and consistent enterprise wide risk management program, underpinned by a risk conscious culture.

Mandrake accepts that risk is a part of doing business. Therefore, the Company's Risk Management and Internal Compliance and Control Policy is not designed to promote risk avoidance. Rather Mandrake's approach is to create a risk conscious culture that encourages the systematic identification, management and control of risks whilst ensuring the Company does not enter into unnecessary risks or enter into risks unknowingly.

Mandrake assesses its risks on a residual basis; that is, it evaluates the level of risk remaining and considering all the mitigation practices and controls. Depending on the materiality of the risks, Mandrake applies varying levels of management plans.

The Board has required management to design and implement a risk management and internal compliance and control system to manage Mandrake's material business risks. It receives regular reports on specific business areas where there may exist significant business risk or exposure. The Company faces risks inherent to its business, including economic risks, which may materially impact the Company's ability to create or preserve value for security holders over the short, medium or long term. The Company has in place policies and procedures, including a risk management framework (as described in the Company's Risk Management and Internal Compliance and Control Policy), which is developed and updated to help manage these risks. The Board does not consider that the Company currently has any material exposure to environmental or social sustainability risks.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring

- the environment for emerging factors and trends that affect those risks;
- formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls; and
- monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

The Board will review the Company's risk management framework at least annually to ensure that it continues to effectively manage risk.

Management reports to the Board as to the effectiveness of Mandrake's management of its material business risks at regular intervals to the Board.

Principle 8: Remunerate fairly and responsibly

The Board as a whole fulfills to the functions normally delegated to the Remuneration Committee as detailed in the Remuneration Committee Charter.

Mandrake has implemented a Remuneration Policy which was designed to recognise the competitive environment within which Mandrake operates and also emphasise the requirement to attract and retain high caliber talent in order to achieve sustained improvement in Mandrake's performance. The overriding objective of the Remuneration Policy is to ensure that an individual's remuneration package accurately reflects their experience, level of responsibility, individual performance and the performance of Mandrake.

The key principles are to:

- review and approve the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- ensure that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
- fairly and responsibly reward executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
- remunerate fairly and competitively in order to attract and retain top talent;
- recognise capabilities and promote opportunities for career and professional development; and
- review and approve equity based plans and other incentive schemes to foster a partnership between employees and other security holders.

The Board determines the Company's remuneration policies and practices and assesses the necessary and desirable competencies of Board members. The Board is responsible for evaluating Board performance, reviewing Board and management succession plans and determines remuneration packages for the Managing Director, Non-Executive Directors and senior management based on an annual review.

Mandrake's executive remuneration policies and structures and details of remuneration paid to Directors and key management personnel (where applicable) are set out in the Remuneration Report.

Non-Executive Directors receive fees (including statutory superannuation where applicable) for their services, the reimbursement of reasonable expenses and, in certain circumstances options.

The total fees paid to Non-Executive Directors during the reporting period were \$108,000. The Directors set the individual Non-Executive Directors fees within the limit approved by shareholders.

Executive Directors and other senior executives (where appointed) may be remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives.

The Company prohibits Directors and employees from entering into any transaction that would have the effect of hedging or otherwise transferring the risk of any fluctuation in the value of any unvested entitlement in the Company's securities to any other person.

Further details in relation to the Company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

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ANNUAL REPORT 30 JUNE 2019**ASX ADDITIONAL INFORMATION**

The shareholder information set out below was applicable as at 10 September 2019.

As at 10 September 2019 there were 1,112 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

- (a) at meetings of members each member entitled to vote may vote in person or by proxy or attorney;
- (b) on a show of hands each person present who is a member has one vote; and
- (c) on a poll each person present in person or by proxy or by attorney has one vote for each ordinary share held

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders as at 10 September 2019 are as follows:

Ordinary Fully Paid Shares

Holder Name	Holding	% IC
Suburban Holdings Pty Ltd <The Suburban Super Fund A/C>	13,000,000	4.88%
Pheakes Pty Ltd <Senate A/C>	7,805,000	2.93%
HSBC Custody Nominees (Australia) Limited	6,697,384	2.51%
Quintero Group Limited	5,075,000	1.91%
Neil Colin Chalmers	5,000,000	1.88%
Stuart Rechner	5,000,000	1.88%
Blueknight Corporation Pty Ltd	4,340,227	1.63%
Mr Nathan John Caratti	3,750,000	1.41%
Mr Mark Jonathan Sandford & Mr Christopher John Sandford <Sandford Super Fund A/C>	3,500,000	1.31%
Connected Energy Solutions Pty Ltd	3,250,500	1.22%
Ongava Pty Ltd <Prh Super Fund A/C>	3,000,000	1.13%
Pcas (Australia) Pty Ltd <Pcas Investment A/C>	3,000,000	1.13%
Greensea Investments Pty Ltd	3,000,000	1.13%
Papillon Holdings Pty Ltd <The Vml No 1 A/C>	2,850,000	1.07%
Mr Ryan John Ray Vitali & Mrs Holly Diana Vitali <Savital A/C>	2,500,000	0.94%
Loktor Holdings Pty Ltd <Taybird A/C>	2,500,000	0.94%
Dixtru Pty Limited	2,500,000	0.94%
Scintilla Strategic Investments Ltd	2,500,000	0.94%
Redland Plains Pty Ltd <Brian Bernard Rodan S/F A/C>	2,500,000	0.94%
Melbor Pty Ltd <Rjw Family A/C>	2,500,000	0.94%
Totals	84,268,111	31.66%

SUBSTANTIAL HOLDERS

There have been no substantial holder notices received by the Company.

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ANNUAL REPORT 30 JUNE 2019**ASX ADDITIONAL INFORMATION (CONT)****DISTRIBUTION OF EQUITY SECURITIES**

Ordinary Fully Paid Shares

Unmarketable Parcels – 695 Holders comprising a total of 485,659 ordinary fully paid shares. This is based on a price of \$0.018, being the closing trading price on 10 September 2019.

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	650	56,626	0.02%
1,001 - 5,000	19	46,985	0.02%
5,001 - 10,000	9	70,813	0.03%
10,001 - 100,000	102	7,829,203	2.94%
100,001 - 9,999,999,999	332	258,337,883	97.00%
Totals	1,112	266,341,510	100.00%

RESTRICTED SECURITIES

As at 10 September 2019 the following securities are subject to escrow:

10,000,000	Ordinary fully paid shares escrow expiring 5 August 2020
15,700,727	Ordinary fully paid shares escrow expiring 14 August 2021
60,229,127	Options expiring 14 July 2022 @ \$0.03 escrow expiring 14 August 2021
125,000	Options expiring 14 July 2022 @ \$0.03 escrow expiring 5 April 2020
1,750,000	Options expiring 14 July 2022 @ \$0.03 escrow expiring 17 April 2020
500,000	Options expiring 14 July 2022 @ \$0.03 escrow expiring 23 April 2020
125,000	Options expiring 14 July 2022 @ \$0.03 escrow expiring 15 May 2020
1,000,000	Options expiring 14 July 2022 @ \$0.03 escrow expiring 20 May 2020
250,000	Options expiring 14 July 2022 @ \$0.03 escrow expiring 22 May 2020

UNQUOTED SECURITIES

As at 10 September 2019, the following unquoted securities are on issue:

3,000,001 Options Expiring 14 July 2021 @ \$0.40 – 21 Holders

Holders with more than 20% - Nil

60,229,127 Options expiring 14 July 2022 @ \$0.03 escrow expiring 14 August 2021 – 28 Holders

Holders with more than 20% - Nil

125,000 Options expiring 14 July 2022 @ \$0.03 escrow expiring 5 April 2020 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Rebecca Simone Robson	125,000	100.00%

MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

ANNUAL REPORT 30 JUNE 2019**1,750,000 Options expiring 14 July 2022 @ \$0.03 escrow expiring 17 April 2020 – 2 Holders***Holders with more than 20%*

Holder Name	Holding	% IC
Mr Mark Jonathan Sandford & Mr Christopher John Sandford <Sandford Super Fund A/C>	1,250,000	71.43%
Rec (WA) Pty Ltd	500,000	28.57%

500,000 Options expiring 14 July 2022 @ \$0.03 escrow expiring 23 April 2020 – 1 Holder*Holders with more than 20%*

Holder Name	Holding	% IC
JM Phillips Pty Ltd <JM Phillips Super Fund A/C>	500,000	100.00%

125,000 Options expiring 14 July 2022 @ \$0.03 escrow expiring 15 May 2020 – 1 Holder*Holders with more than 20%*

Holder Name	Holding	% IC
Stephen Colin Stanley Robson	125,000	100.00%

1,000,000 Options expiring 14 July 2022 @ \$0.03 escrow expiring 20 May 2020 – 2 Holders*Holders with more than 20%*

Holder Name	Holding	% IC
Larfrae Pty Ltd <Larfrae Super Fund A/C>	500,000	50.00%
Markota Pty Ltd	500,000	50.00%

250,000 Options expiring 14 July 2022 @ \$0.03 escrow expiring 22 May 2020 – 1 Holder*Holders with more than 20%*

Holder Name	Holding	% IC
Ratatat Investments Pty Ltd <Ratatat Investment A/C>	250,000	100.00%

118,695,950 Options expiring 14 July 2022 @ \$0.03 – 410 Holders*Holders with more than 20% - Nil***ON-MARKET BUY BACK**

There is currently no on-market buyback program.