

ASX Announcement

30 January 2020

QUARTERLY REPORT

For the period ended 31 December 2019

ASX Code: MAN

Capital Structure

Ordinary Shares: 266,341,510
Unlisted Options: 206,675,077
Current Share Price: 1.6c
Market Capitalisation: \$4.2M
Cash: \$3.6
Debt: Nil

Directors

Patrick Burke
Non-Executive Chairman

James Allchurch
Managing Director

Ben Phillips
Non-Executive Director

Stephen Buckley
Company Secretary

Contact Details

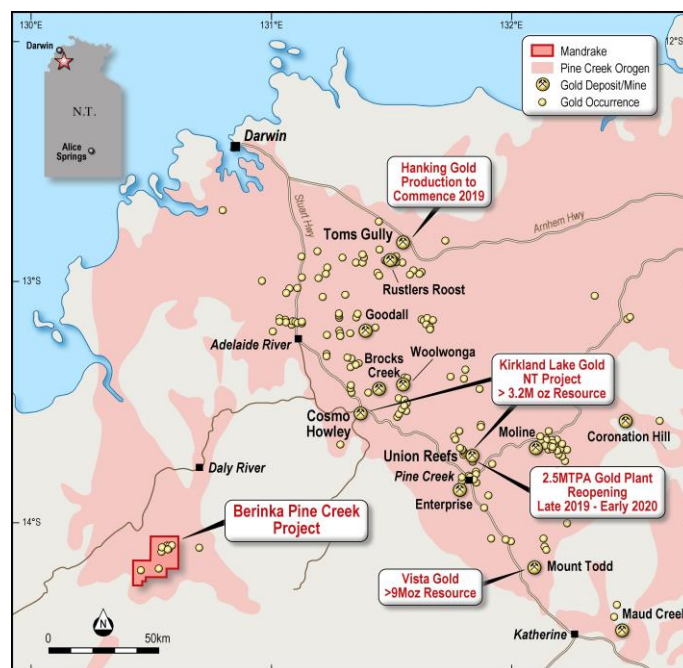
Ground Floor
24 Outram Street
West Perth WA 6005
Australia

Tel: +61 8 6189 1155

mandrakeresources.com.au

Highlights

- Assay results received from four diamond holes (drilled by previous operator) and recent rock chip sampling conducted by Mandrake.
- Assay results from the diamond core include:
 - Hole ZK1701: 1m @ 0.75g/t Au (from 133m)
 - Hole ZK7801: 6m @ 0.1g/t Au (from 24m)
 - Hole ZK8801: 5m @ 0.13g/t Au (from 418m)
- Rock chip sample grading 15.7g/t Au collected from veining hosted in a dolerite unit at the undrilled and under-explored Bubbles Creek Prospect.
- Three high priority prospects (Silver Strike, RGC Creek and Bubbles East) identified from historic stream and rock chip geochemistry will be investigated in February/March 2020.
- Over \$3.6M in cash with an enterprise value (EV) of approximately \$600,000.



Location of Berinka Pine Creek Project

Exploration Activities - Berinka Pine Creek Project

Assay of Drill Core

Investigations into previous exploration work conducted at the project revealed the existence of 4 diamond drill holes (ZK1701, ZK1702, ZK7801 and ZK8801) drilled by China Australia Land Resources.

The NQ2 diamond core totals approximately 1,161m with zones prospective for mineralisation totaling approximately 189m submitted for assay.



Processing of Diamond Drill Core Derived from Terrys Prospect

Diamond drill hole ZK1701 returned the following intercept:

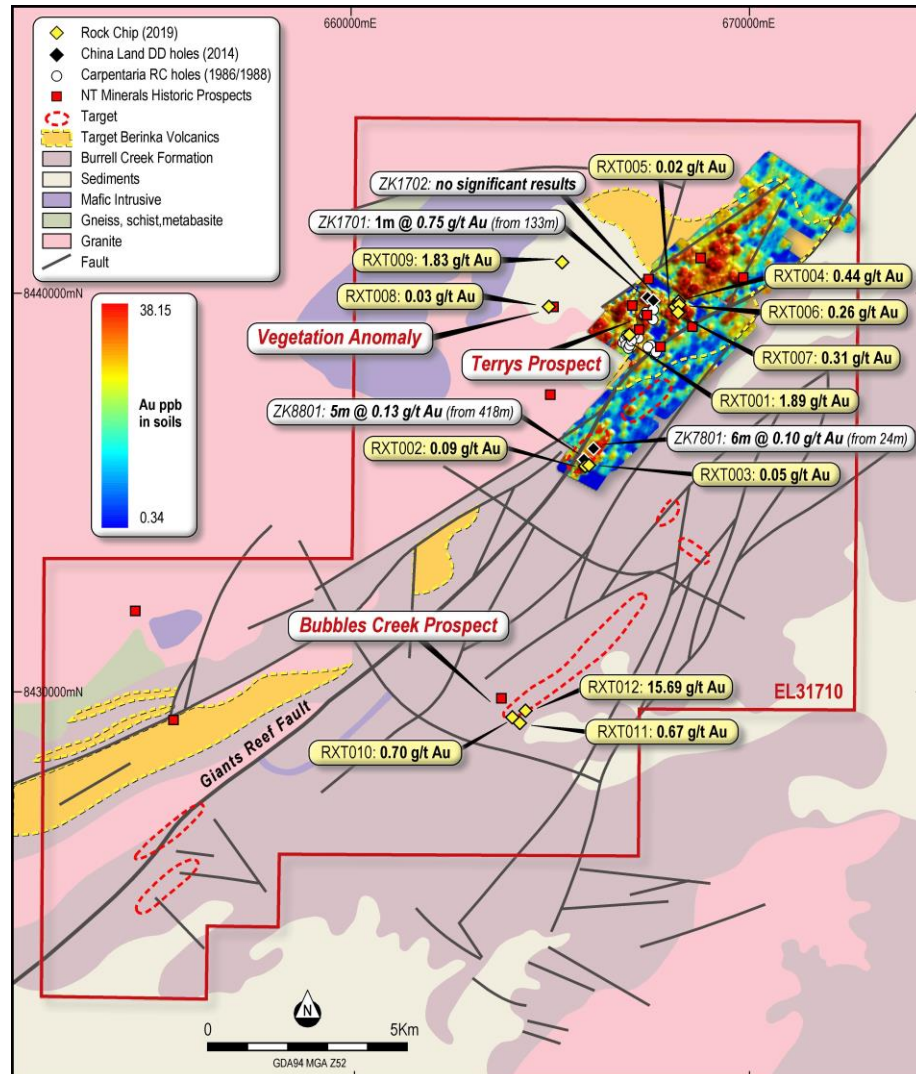
1m @ 0.75g/t Au (from 133m)

Diamond drill hole ZK7801 returned the following intercept:

6m @ 0.1g/t Au (from 24m)

Diamond drill hole ZK8801 returned the following intercept:

5m @ 0.13g/t Au (from 418m)



Berinka Pine Creek – Rock Chip and Core Assay Results with Historical Geochem

The identification of the core derived from the Terrys Prospect is fortuitous for Mandrake as it has provided, at very low cost to the Company, the opportunity to sample and assay various zones prospective for mineralisation as well as providing important structural and lithological information.

Field Work – Rock Chip Results

A detailed site visit was undertaken at the Berinka Project in October 2019 targeting the Terrys Prospect as well as several other prospects in the vicinity including the Vegetation Anomaly (identified by Carpentaria Exploration Company (CEC) in the mid-1980s). The primary objectives were to establish access and conduct geological mapping and rock chip sampling.

Field work was also undertaken at the Bubbles Creek Prospect, discovered by CEC in 1986. Historic CEC reports describe anomalous gold values in rock (exposed veins) and float within the Burrell Creek Sediments along a 1.3km belt in the valley of Bubbles Creek.



Recent Slumping near the Location of RXT0012 (15.7g/t Au) Obscuring Mineralised Veins Hosted in Dolerite

Three rock chip samples were collected at the Bubbles Creek Prospect with RXT0012 targeting a dolerite unit exposed in the creek bank overlain by an alluvial terrace. A set of steep south east dipping grey quartz-FeO veins was located in the dolerite, spaced some 2-3m apart with individual veins up to 10cm in width. The vein material was sampled returning a high grade gold value of 15.7g/t Au.

As reported in the ASX release of 14 November 2019, a new, previously undocumented vein was identified (designated 'Bubbles Site 7') which comprises a zone of strong quartz breccia veining, with minor scorodite and limonite staining. The zone appears prospective, is 2-3m wide and is anomalous for gold, returning results of 0.7g/t Au.

At the Terrys Prospect, the weathered stockwork veined brecciated granite that potentially forms part of the gold lode was sampled returning a gold grade of 1.9g/t Au, indicating continuity along strike from RC holes drilled by CEC at The Terry's A Prospect.

Forthcoming Work - Berinka Pine Creek Project

Site visits to three prospects, Silver Strike, RGC Creek and Bubbles East, will be undertaken in February/March 2020 in order to conduct geological mapping and rock chip sampling. Given the remote nature of these prospects and the difficulty of access during the wet season this work will be undertaken using a helicopter.

Further details of the prospects identified are provided below.

Silver Streak

Silver Streak is situated on a SW-NE trending structural corridor sub-parallel with the regionally important Giants Reef Fault. The structural corridor is associated with a series of flexure faults and splays and was previously explored for base and precious metals.

Several vein sets were previously identified at Silver Streak with rock chip sampling indicating silver grades of up to 175g/t along with anomalous Au (maximum value of 0.17g/t), Bi, Cu, Pb and Sb¹.

A further target is the NNE trending fault which runs from Silver Strike to the north. Particular zones of interest include an area of fault bifurcation/splay coincident with anomalous arsenic values (stream sediments) as well as the fault intersection with the mafic package to the north.

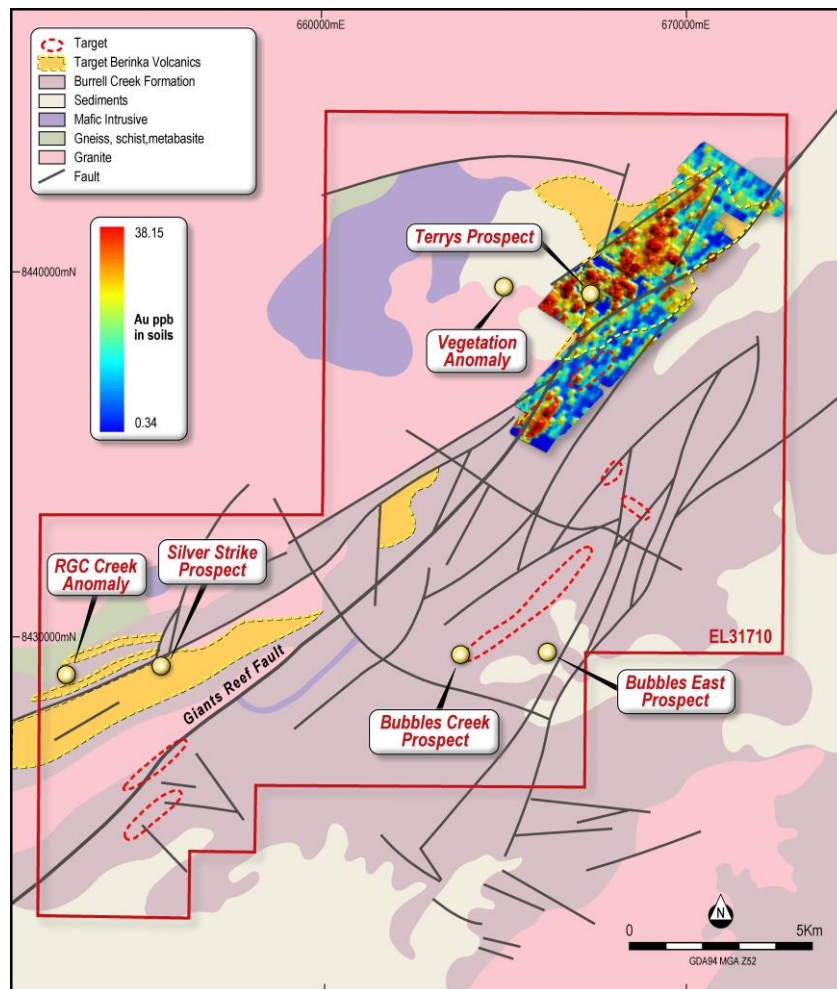
RGC Creek

The RGC Creek prospect is located approximately 2km along strike to the west of Silver Strike and is characterized by a highly anomalous gold zone approximately 3,000m x 700m in area as demonstrated by historic high density stream geochemistry data.

Follow-up of the anomalous gold zone by previous explorer Renison Goldfields Consolidated Limited (RGC) was very limited. Crucially, the most anomalous stream sediment samples collected are derived from a creek that has its headwaters outside of the former exploration licence (EL) boundary and was thus not followed up by RGC.

The current EL held by Mandrake incorporates the catchment of this anomaly with the anomalous zone also representing an important lithological contact.

¹ Source: Outback Metals Limited EL10140 Wingate Mountains Annual Report for the year ending 13th February 2010, report submitted to the NT Department of Mines



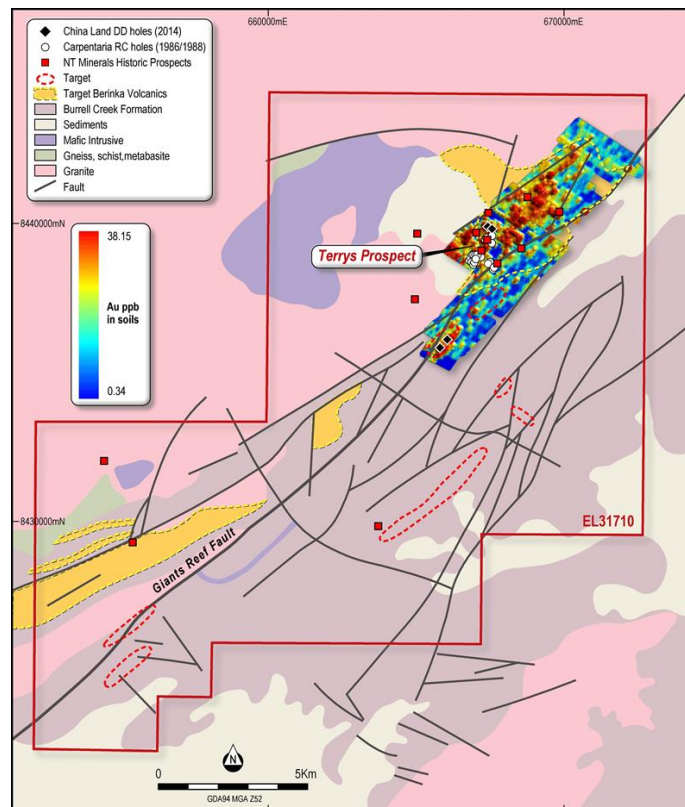
Berinka Pine Creek Project - Prospects

Bubbles East

A major, multi drainage area anomalous for Au, As and Bi has been identified immediately east of the Bubbles Creek prospect.

Several of the stream sediment anomalies have not been followed up in this area and thus represent targets for mapping and rock chip analysis.

An application to undertake drilling at the Berinka Pine Creek Project, known as a Mining Management Plan (MMP), was submitted to the Northern Territory Department of Primary Industry and Resources (DPIR) in August 2019. The Company is in the process of modifying the MMP application, informed by both recent observations and results from fieldwork conducted in late 2019 as well as forthcoming field work. A drilling programme testing several targets is scheduled for the quarter ending 30 June 2020, immediately following the wet season.



Berinka Pine Creek Project Targeting – Historical Geochem and Drilling

Schedule of Mineral Tenements as at 31 December 2019

Location	Project	Status	Tenement	MAN Interest
NT, Australia	Berinka	Granted	EL31710	100%

Berinka Pine Creek Project - Background

Gold mineralisation at the project is associated with >10km strike of poorly tested structurally controlled igneous units 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 Terys 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 lodged with the ASX on 24 May 2019.

This announcement has been authorised by the Board of Mandrake Resources Limited.

Enquires please contact:
James Allchurch
admin@mandrakeresources.com.au
(08) 6189 1155

About Mandrake Resources

Mandrake is a junior exploration company established with the purpose of exploring and developing gold, nickel, copper and other mineral opportunities. The Company owns a mineral exploration project located in the prolific Pine Creek Orogen of the Northern Territory and is focussed primarily on gold exploration.

For further information visit www.mandrakeresources.com.au

Competent Persons Statement

The technical information in this announcement complies with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) and has been compiled and assessed under the supervision of Mr Harry Mees, consulting geologist to Mandrake Resources. Mr Mees is a Member of the Australian Institute of Geoscientists. He has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Mr Mees consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MANDRAKE RESOURCES LIMITED

ABN

60 006 569 124

Quarter ended ("current quarter")

31 DECEMBER 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (...6..months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(104)	(199)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(72)	(814)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(163)	(997)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (...6..months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	4,790
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(265)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	4,525

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,775	84
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(163)	(997)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,525
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,612	3,612

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	612	775
5.2 Call deposits	3,000	3,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,612	3,775

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

74

-

Directors fees and salaries paid during the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9. Estimated cash outflows for next quarter**\$A'000**

9.1	Exploration and evaluation	250
9.2	Development	-
9.3	Production	-
9.4	Staff costs	-
9.5	Administration and corporate costs	75
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	325

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL31710 Northern Territory		100%	100%
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

This report has been approved by the Board of Mandrake Resources Limited.

Sign here: 
(Company Secretary)

Date: 30 January 2020

Print name:Stephen Buckley.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.