

QUARTERLY REPORT

For the period ended 31 March 2020

ASX Announcement

28 April 2020

ASX Code: MAN

Capital Structure

Ordinary Shares: 266,341,510
Unlisted Options: 206,675,077
Current Share Price: 2c
Market Capitalisation: \$5.3M
Cash: \$3.48
Debt: Nil

Directors

Patrick Burke
Non-Executive Chairman

James Allchurch
Managing Director

Ben Phillips
Non-Executive Director

Lloyd Flint
Company Secretary

Contact Details

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Highlights

- Mandrake to farm-in to a highly prospective 140km² exploration licence application (ELA) in the Jimperding Metamorphic Belt 70km NE of Perth.
- ELA located 30km east of Chalice Gold Mines Limited's exciting new Julimar PGE-Ni discovery.
- Geophysical targeting of ultramafic layered intrusives for potential Ni-Cu-PGE mineralisation has commenced with initial assessments due shortly.
- Historic prospects and several other prominent magnetic anomalies on the ELA are now being assessed in the context of the currently-unfolding Julimar PGE-Ni discovery.
- Mandrake to expedite ELA, fast-tracking grant of EL.
- The Company's Northern Territory Berinka Pine Creek Gold Project continues to be progressed, with rock chip sampling identifying grades up to 3.8g/t Au and 37.5g/t Ag.
- \$3.48M in cash - enterprise value (EV) of approx \$1.8M.

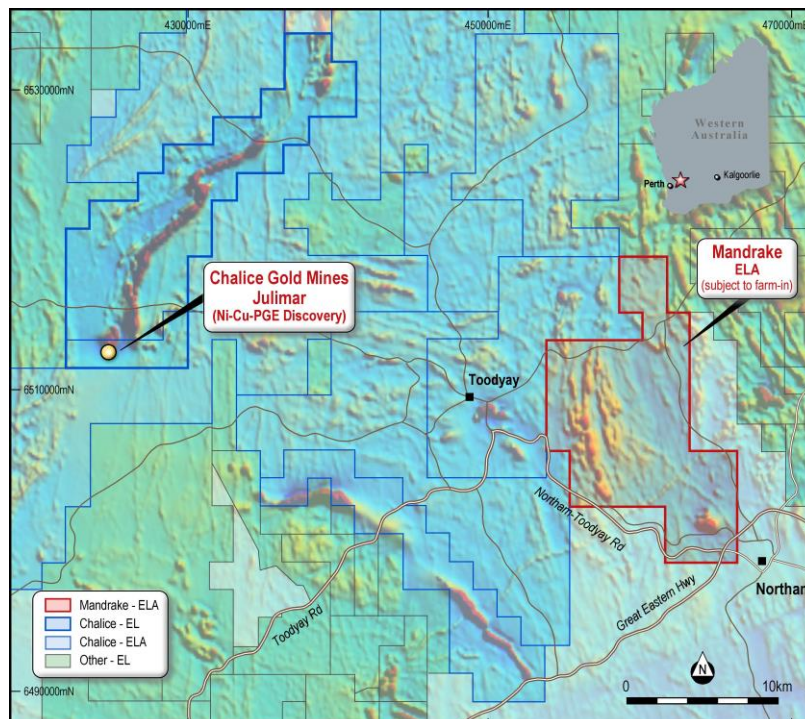


Figure 1 - Regional Aeromagnetics – Jimperding Project

Jimperding Project Farm-in

Subsequent to the end of the March 2020 quarter, Mandrake Resources Limited (**ASX: MAN**) (**Mandrake** or the **Company**) entered into a binding Heads of Agreement with Andean Energy Resources Pty Ltd (**AER**) to farm-in to exploration licence application (**ELA**) 70/5345 (**Jimperding Project**), in the Jimperding Metamorphic Belt located 70km north east of Perth, Western Australia.

The Jimperding Project lies approximately 30km east of Chalice Gold Mines Limited's (**Chalice**) Julimar Ni-Cu-PGE discovery announced on 23 March 2020. The 140km² ELA comprising the Jimperding Project was applied for on 4 March 2020, prior to the Julimar discovery hole announcement and prior to Chalice pegging over 2,000km² of ELAs contiguous to the Jimperding Project.

Geophysical consultants have been engaged to commence targeting work with initial detailed assessments due shortly. Mandrake is targeting ultramafic layered intrusives for potential Ni-Cu-PGE mineralisation such as the Newleyne prospect in the south of the ELA.

Historic data from Newleyne and several other prospects are currently being compiled, digitized and assessed. These historic prospects, as well as several other prominent magnetic anomalies within the Jimperding Project, are now being assessed in the context of Chalice's currently-unfolding Julimar PGE-Ni discovery.

Mandrake has also implemented a process to expedite the granting of ELA 70/5345.

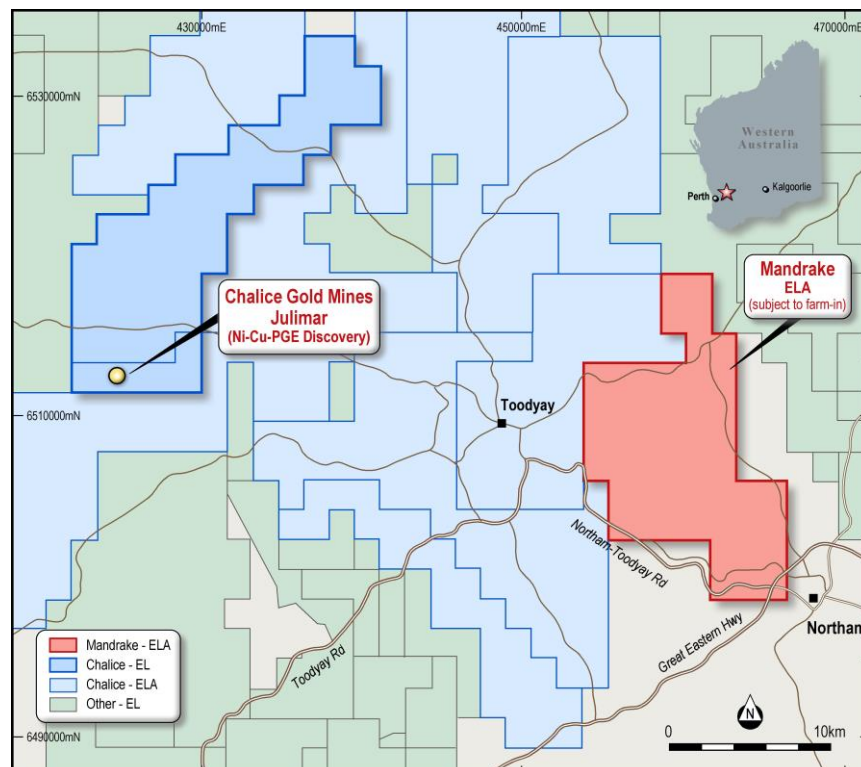


Figure 2 - Location of Mandrake Farm-in ELA – Jimperding Project

Jimperding Project Background

The Jimperding Metamorphic Belt is in the northern part of the southwestern Yilgarn Craton and comprises Archaean gneisses, arkosic paragneiss and banded-iron formation, interleaved with a variety of garnetiferous orthogneiss and ultramafic units¹.

Regional work conducted by Harrison (1986) suggested that some of the mafic/ultramafic bodies in the terrane may be remnants of larger layered intrusives and thus targets for platinum group element (PGEs)². The recent Julimar discovery in the area appears to validate this assessment.

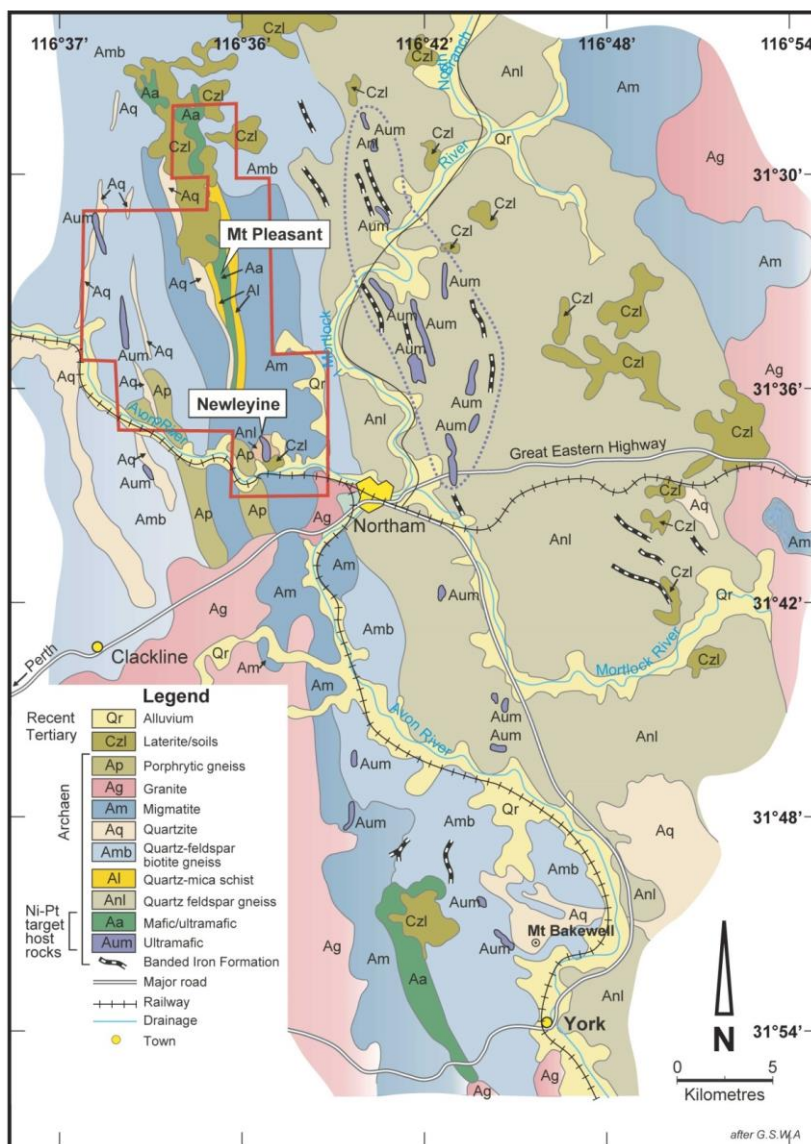


Figure 3 - Surface Geology – Mt Pleasant and Newleyne Prospects, Jimperding Project

¹ Wilde, S.A. (2001), Jimperding and Chittering Metamorphic Belts, Southwestern Yilgarn Craton, WA – A Field Guide. 4th International Archaean Symposium. Geol Survey of WA.

² Harrison, P.H (1986), Professional Papers for 1984. Rep 19. Geol Survey of WA.

Previous exploration at the Jimperding Project was primarily undertaken in the late 1970s by Australian Anglo American (**Australian Anglo**) and North Flinders Mines Limited (**NFM**).

NFM conducted surface mapping and sampling at the Newleyine prospect. Surface sampling of the 1.5km long Newleyine ultramafic intrusive by way of 90 rock chip samples returned assay values up to 0.52% Ni and 805 ppm Cu.

Three exploratory diamond drill holes completed by Australian Anglo established the presence of widespread Ni-Cu-Fe sulphide mineralisation of 0.24% Ni and 172 ppm Cu over drill widths of up to 240m through a dunite body. Crucially, samples were not assayed for PGEs or gold.

In 1996, exploration by BHP near the Mt Pleasant prospect identified anomalous nickel mineralisation within a 10km long, north trending mafic amphibolite.

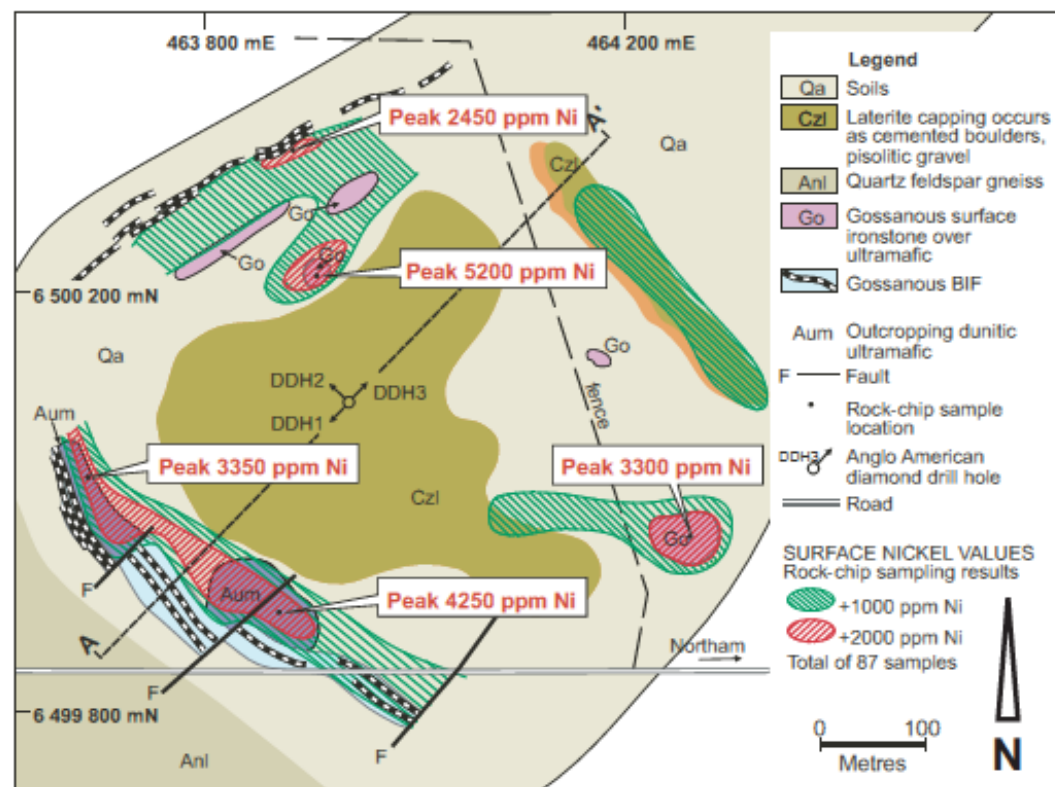


Figure 4 - Newleyine Prospect – Rock Chip Samples and Drill Collar Locations

The historic information provided in this quarterly release is based on the following report from WAMEX: 'Third Quarter Report - North Flinders Mines Limited Joint Venture Prospecting Programme (Fehlberg, 1978)'. Please refer to Mandrake's ASX release of 14 April 2020 for further details.

Farm-in Terms

Mandrake has executed a conditional binding Heads of Agreement (**HoA**) with AER detailing the terms of the farm-in agreement to ELA 70/5345. The terms of the agreement are:

- Cash payment to AER of \$40,000
- Mandrake to expend \$100,000 to earn a 51% interest in ELA 70/5345
- Mandrake to expend a further \$200,000 to earn a further 29% (total 80%) in ELA 70/5345
- AER to be free-carried through to the commencement of a Bankable Feasibility Study at which point a Joint Venture will be incorporated between Mandrake and AER
- Mandrake to satisfy all expenditure related to grant of EL70/5345
- Mandrake able to withdraw at any time prior to attainment of 51% interest in the ELA

Subsequent to the end of the quarter due diligence was completed to the satisfaction of Mandrake and all conditions precedent satisfied, paving the way for targeting work to commence immediately.

Exploration Activities - Berinka Pine Creek Project

During the March 2020 quarter a review of historic detailed geological exploration data identified a number of compelling prospects within the Berinka Pine Creek Project.

In March 2020 Mandrake successfully located all high priority prospects as well as identifying several previously undocumented prospects warranting further investigation. Given the remote nature of these prospects and the difficulty of access during the wet season the work was undertaken using a helicopter.

A total of 9 rock chip samples were collected across the Silver Strike prospect and RGC Creek anomaly with a further 3 rock chip samples collected from the Specky Creek and Bubbles East prospects.

Details of the prospects and results of rock chip sampling are provided below.

Silver Strike

Silver Strike 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 gold (maximum value of 0.17g/t), Bi, Cu, Pb and Sb³.

Two samples (RXSS1 and RXSS2) were collected by Mandrake from veins associated with the Silver Strike prospect, with RXSS1 returning 37.5g/t Ag.

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. Rock chip sampling within this catchment failed to identify the source of historic stream sediment anomalism.

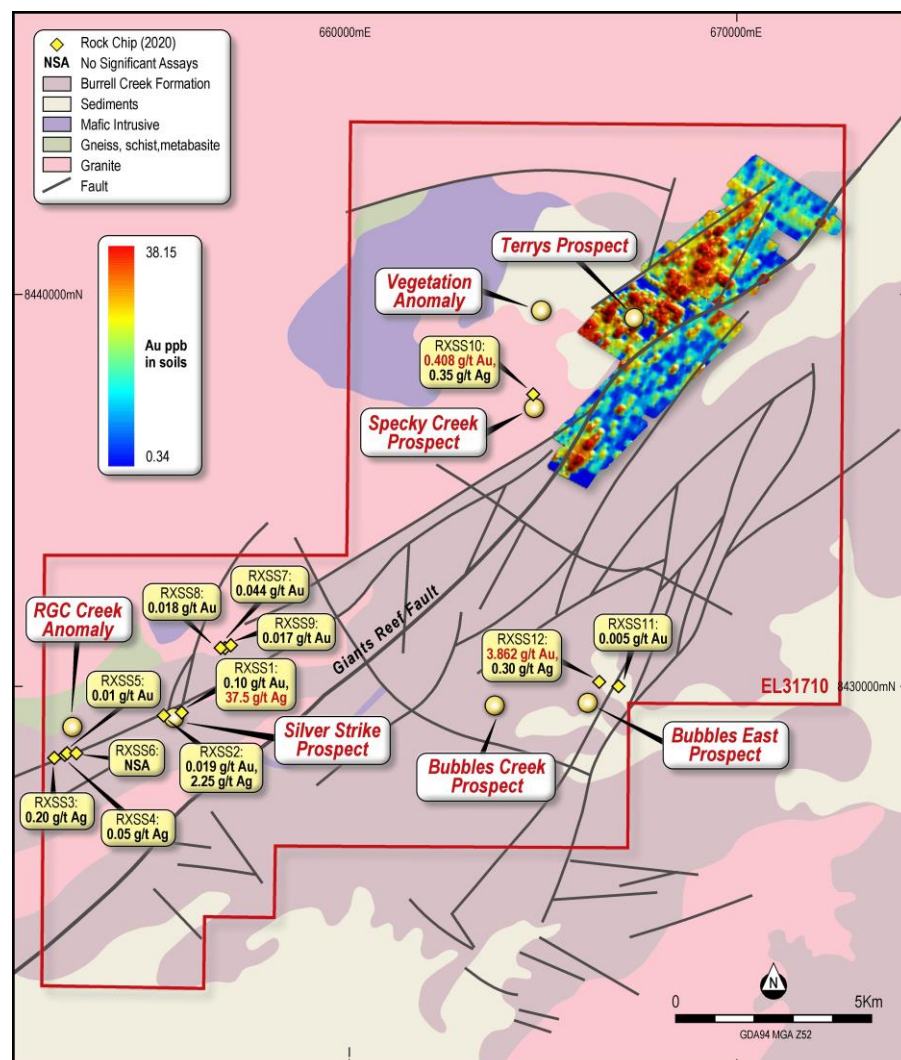


Figure 5 - Berinka Pine Creek – Reconnaissance Rock Chip Results

³ Source: Outback Metals Limited EL10140 Wingate Mountains Annual Report for the year ending 13th February 2010, report submitted to the NT Department of Mines

Specky Creek

Specky Creek was discovered by Carpentaria Exploration Company (CEC) in the mid-1980s. Carpentaria located anomalous float to 180g/t Au and 142g/t Ag in Specky Creek and followed this up with costeaning, which revealed minor gold bearing veining⁴.

A float sample was taken from the costean spoil of a weathered narrow silica-sulphide-tourmaline lode. The nature of the float suggests a lode less than 10cm wide. Intercepts on adjacent costeans suggest a NE striking structure of at least 50m strike. Float sample RXSS010 returned 0.41g/t.

Bubbles East

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

Several of the stream sediment anomalies have not been followed up in this area.

During the traverse down an adjacent creek within the broader catchment a strongly ferruginous quartz vein hosted by ferruginous siltstone was located, 15cm wide with trace remnant pyrite, exposed over 5m of strike. Sample RXSS12 collected from this vein assayed 3.8g/t Au.

Current travel restrictions enforced by the Northern Territory and Western Australian state governments pursuant to the Covid-19 pandemic have prevented any further work at Berinka. Further, the Northern Land Council has suspended non-essential travel to the Aboriginal communities in the Berinka area and is monitoring the activities of exploration companies closely.

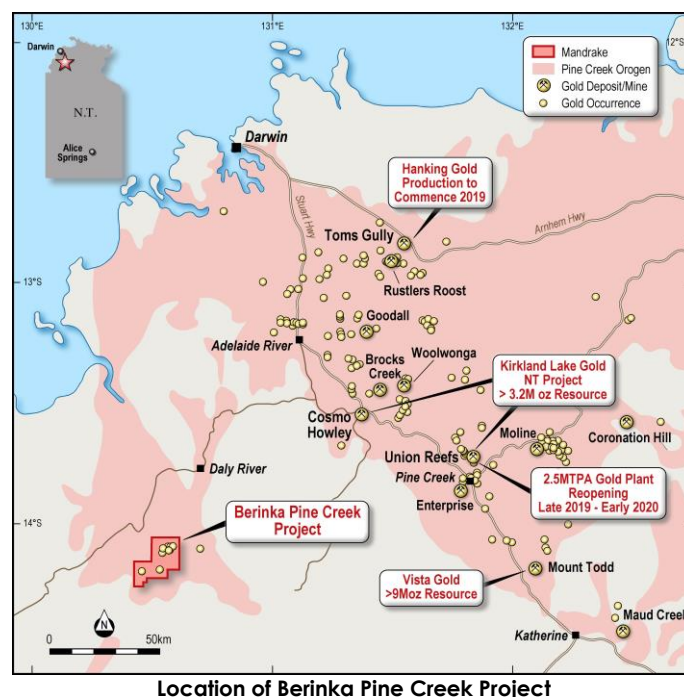
An application to undertake drilling at the Berinka Pine Creek Project, known as a Mining Management Plan (MMP), was submitted to the Northern Territory Department of Primary Industry and Resources (DPIR) in August 2019. The Company is in the process of modifying the MMP application. Dependent on Covid-19 restrictions, a drilling programme testing several targets is scheduled for mid-2020, immediately following the wet season.

This announcement has been authorized by the board of directors of Mandrake.

⁴ CEC Final Report (1990) Exploration Licence 4650 – Open File NT Mines Dept CR 1991/024

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 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 lodged with the ASX on 24 May 2019.



Schedule of Mineral Tenements as at 31 March 2020

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

About Mandrake Resources

Mandrake is a junior exploration company established with the purpose of exploring and developing gold, nickel, copper and PGM opportunities. The Company recently entered into an agreement to earn-in to exploration tenure prospective for Ni/Cu/PGMs in the exciting Jimperding Metamorphic Belt, 70km NE of Perth.

Mandrake also owns a mineral exploration project located in the prolific Pine Creek Orogen of the Northern Territory prospective for gold, silver and base metals.

For further information visit www.mandrakeresources.com.au

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 or oil and gas exploration entity quarterly cash flow report

Name of entity

MANDRAKE RESOURCES LIMITED

ABN

60 006 569 124

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9....months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	(78)	(277)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(68)	(882)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(134)	(1,131)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9....months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	4,790
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(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	3,612	84
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(134)	(1,131)
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

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..9....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,478	3,478

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	478	612
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)	3,478	3,612

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

91

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Directors salaries, fees and corporate advisory fees paid during the quarter (incl. GST).

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>			
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(134)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(134)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,478
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,478
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	25.9
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1.	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Item 8.7 is greater than 2 quarters	
2.	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/a	
3.	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes	

Compliance statement

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

Date:28 April 2020.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.