

## ASX Announcement

23 October 2020

ASX Code: MAN

### Capital Structure

Ordinary Shares: 312,349,843  
 Unlisted Options: 164,000,078  
 (3c exercise)  
 Current Share Price: 6c  
 Market Capitalisation: \$18.7M  
 Cash: \$4.2M  
 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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# QUARTERLY REPORT

For the period ended 30 September 2020

## Highlights

### Newleyine Prospect

- Newleyine, located 30km from Chalice's exciting Julimar discovery, continues to develop into a highly prospective Ni-Cu-PGE target
- Three discrete late-time EM bedrock anomalies identified from Fixed Loop Electromagnetic (FLEM) survey
- Geophysical interpretation suggests the EM conductor plates could be the response of massive sulphide mineralisation with drill testing for Julimar-style PGE-Ni-Cu mineralisation now required
- Surface rock chip results up to 0.36g/t Pd, 0.27g/t Pt, 0.65% Ni and 0.19% Cu confirm Newleyine is highly fertile for Ni-Cu-PGEs
- Grant of ELA 70/5345 expected in the current quarter. Drill programme has been finalised - permitting well advanced
- \$4.2M cash at bank

### Berinka Pine Creek Gold Prospect

- Drilling of greenfields frontier targets at the Berinka Pine Creek Gold Project has returned high grade Au, Ag and Cu intercepts including RC hole FBRC005:
  - 3m @ 1.8g/t Au, 32 g/t Ag and 2.1% Cu from 124m including;
    - 1m @ 3.7 g/t Au, 69 g/t Ag and 3.1% Cu from 124m

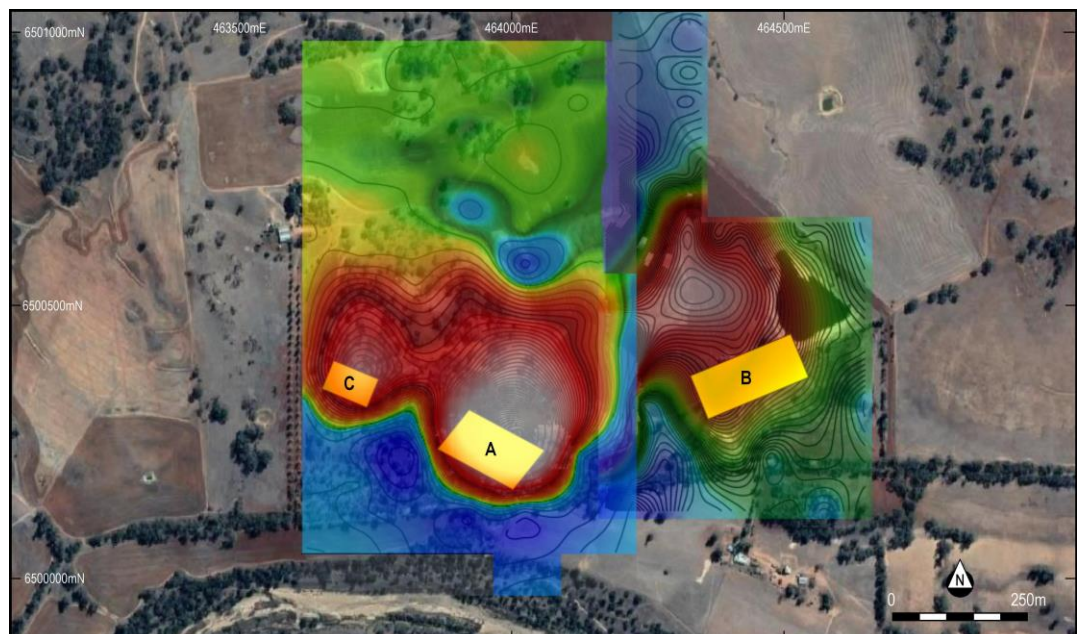


Figure 1 – Newleyine Plan View - FLEM data (channel 23 Z component images) showing conductor plates A, B and C

During the September 2020 quarter, Mandrake Resources Limited (ASX: MAN) (Mandrake or the Company) continued to develop the Jimperding Project located in the Jimperding Metamorphic Belt 70km north east of Perth, WA.

Mandrake also undertook a reverse circulation (RC) drilling programme at the Berinka Pine Creek Gold Project located in the Northern Territory.

### Exploration Activities - Jimperding Project

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 140km<sup>2</sup> ELA comprising the Jimperding Project was applied for on 4 March 2020, prior to the Julimar discovery announcement and prior to Chalice pegging over 2,000km<sup>2</sup> of ELAs contiguous to the Jimperding Project.

To date, Mandrake has focused on the advanced Newleyine Prospect summarised below.

**Table 1. Comparison between Newleyine and the Julimar discovery (CHN)**

Attributes	Julimar Discovery (CHN)	Newleyine Prospect (MAN)	Comments
i. Jimperding Metamorphic Belt			<ul style="list-style-type: none"> <li>Newleyine 30km east of Julimar</li> </ul>
ii. Serpentinite ultramafic interlayered with gabbro sub-units with BIF	✓	✓	<ul style="list-style-type: none"> <li>Newleyine pegged prior to Julimar discovery</li> </ul>
Distinct high intensity ovoid magnetic anomaly in airborne and ground magnetics	✓	✓	<ul style="list-style-type: none"> <li>Magnetic bullseye feature</li> <li>Distinct internal complexity/character of ground mag at Newleyine</li> </ul>
Surface rock chips highly anomalous for PGEs, Ni and Cu	✓	✓	<ul style="list-style-type: none"> <li>186 rock chip samples collected at Newleyine up to 0.36g/t Pd, 0.27g/t Pt, 0.65% Ni and 0.19% Cu<sup>1</sup></li> <li>Historical drilling at Newleyine not assayed for PGEs</li> </ul>
Broad drilling intersections carrying Ni grades above 1,000ppm	✓	✓	<ul style="list-style-type: none"> <li>Historical Newleyine drilling to 1.18% Ni and 1,200 ppm Cu</li> <li>Broad mineralised intersections at Newleyine: <ul style="list-style-type: none"> <li>o 240m at 2,400 ppm Ni and 300ppm Cu<sup>2</sup></li> </ul> </li> </ul>
Multiple discrete moderately to highly conductive ground EM anomalies	✓	✓	<ul style="list-style-type: none"> <li>Newleyine EM anomalies yet to be drilled</li> </ul>
Significant PGE discovery	✓	?	<ul style="list-style-type: none"> <li>Drill planning and application for approvals underway</li> </ul>

<sup>1</sup> See ASX releases dated 6 July 2020 and 28 July 2020

<sup>2</sup> Second Quarter Report - North Flinders Mines Limited Joint Venture Prospecting Programme (Fehlberg, 1978).

## Newleyine Ni-Cu-PGE Prospect

### Geophysics

During the September 2020 quarter Mandrake completed a Fixed Loop Electromagnetic (FLEM) survey at the Newleyine Prospect which successfully identified three confined late-time bedrock conductors located within a distinct bullseye magnetic complex that contains layered ultramafic intrusion units and banded iron formation (see Figures 1 and 2).

The conductors are of moderate to high conductance, moderately dip north (consistent with mapped outcrop) and are located between 125 – 210m below surface. Conductors A, B and C are summarised in Table 2.

The distinct bedrock conductors may represent massive sulphide accumulations and drill testing for Julimar-style mineralisation is now required.

FLEM survey design and data interpretation were undertaken by Southern Geoscience Consultants (SGC).

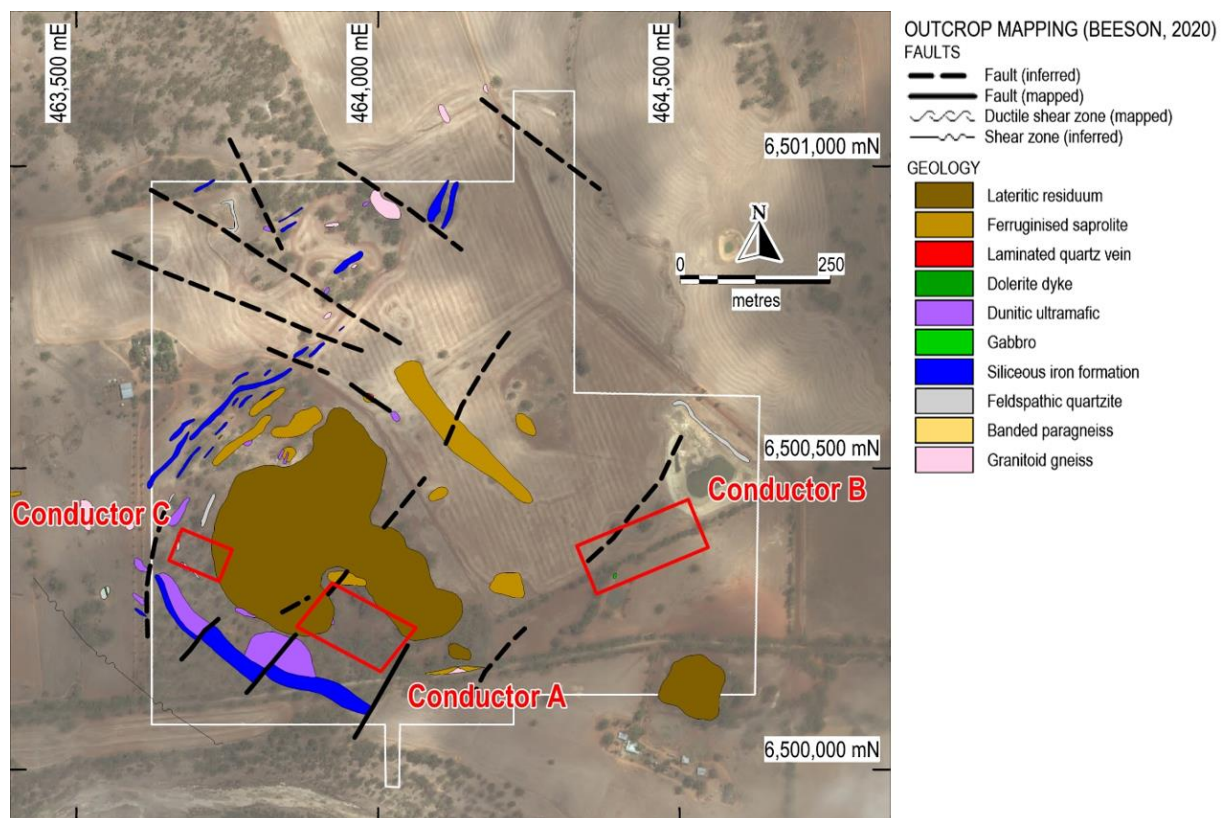


Figure 2: Newleyine 1:5,000 outcrop mapping (John Beeson, 2020). FLEM survey outline in white and FLEM modelled conductor plates (red)

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**Table 2. Conductor Plate Dimensions**

	Conductor A	Conductor B	Conductor C
Depth below surface (m)	125	210	130
Dip (°)	50	55	55
Dip direction (°)	20	337.5	22.5
Strike length (m)	160	200	90
Depth extent (m)	140	150	98.3

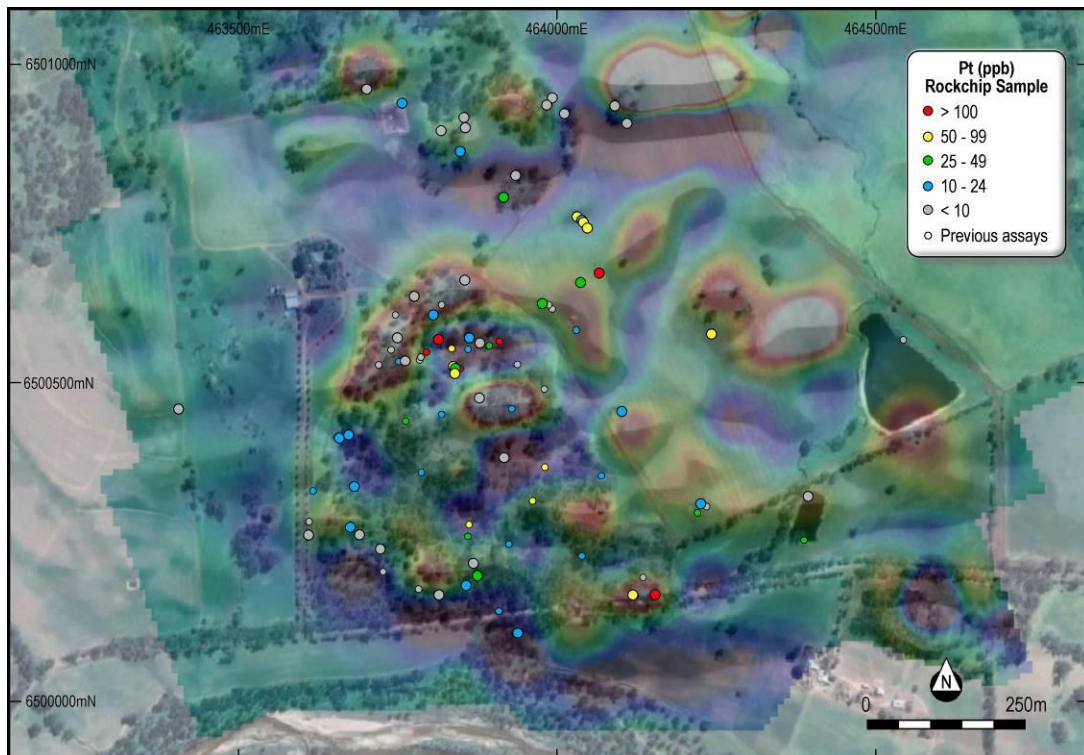
Mandrake notes that the projected up-dip (southern) edge of conductor plates A and C sit approximately within the mapped dunitic ultramafic unit with the plates also consistent with nearby structural dip and strike observations collected during recent mapping. Both Conductors A and C sit within non-magnetic zones of the broader magnetic complex.

Conductor A, considered the most compelling and highest priority target, is bound by two mapped NNE trending faults (Figure 2).

Conductor B is located in the eastern half (paddock) of the survey area where no outcrop has been observed.

### Geochemistry

Concentrations of platinum and palladium in rock chip samples collected from two field mapping events have exceeded expectations with rock chip samples up to 0.36g/t Pd and 0.27g/t Pt confirming the ultramafic intrusive at Newleyine is highly fertile for PGEs.



**Figure 3 – Newleyine rock chip results on ground magnetics (RTP) - Platinum**

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This is an exciting development for the Company and has elevated Newleyine's prospectivity for PGEs given it is hosted in the same geological setting as Chalice's Julimar discovery.

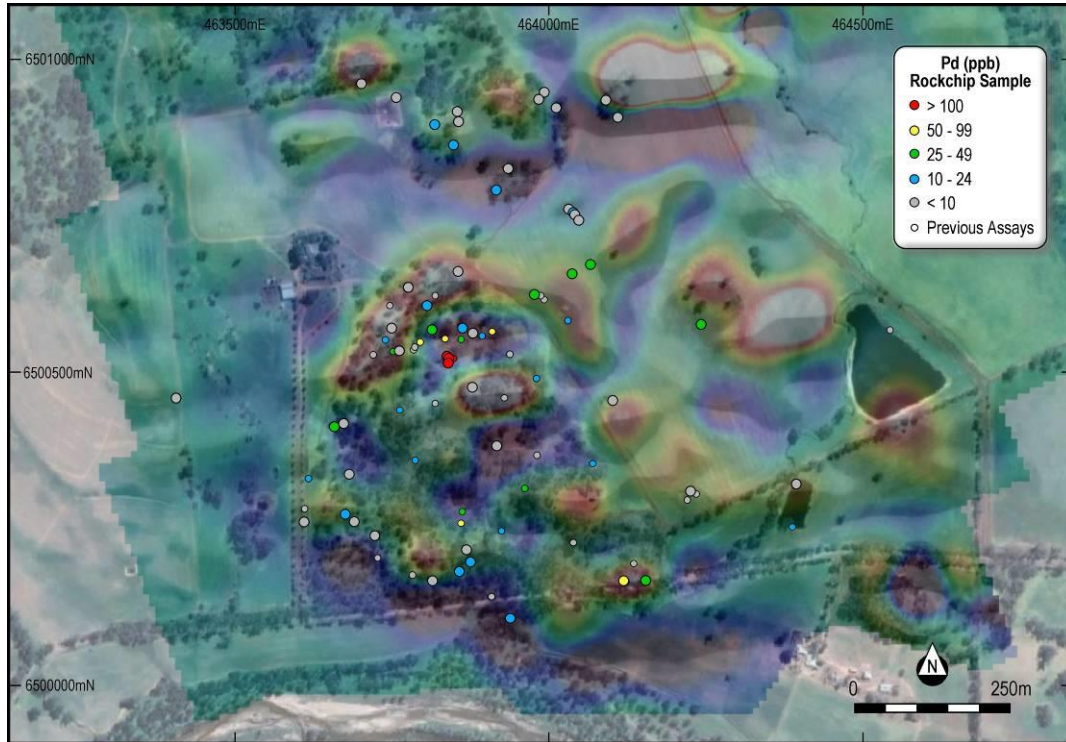


Figure 4 - Newleyine rock chip results on ground magnetics (RTP) – Palladium

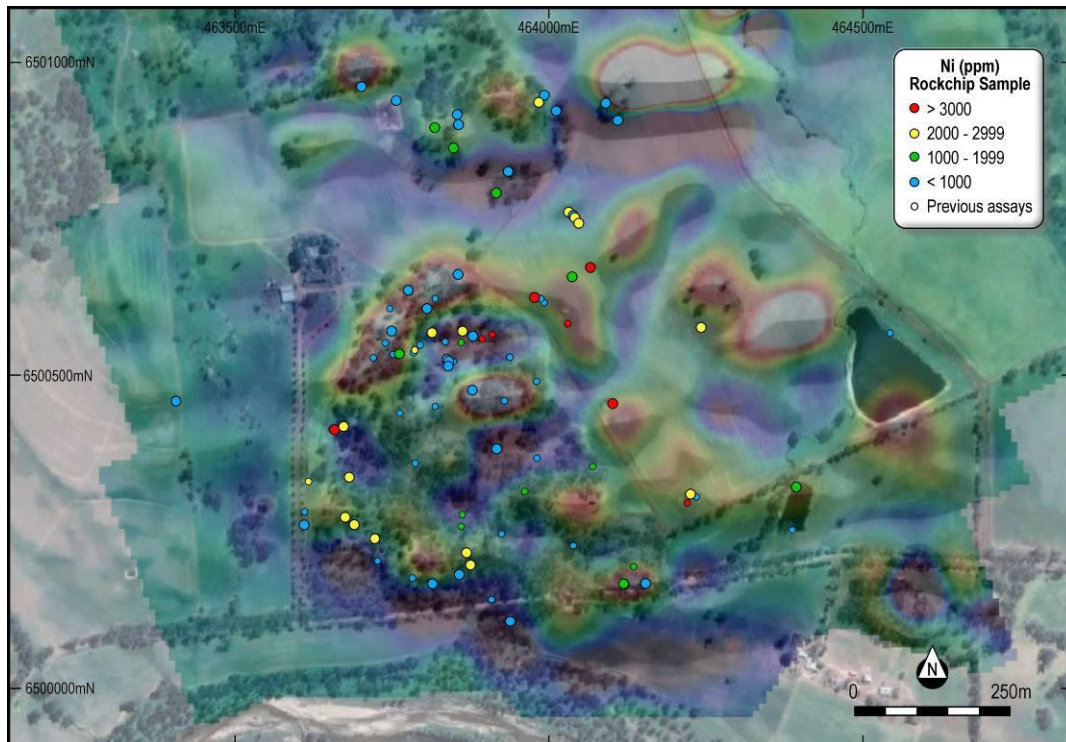


Figure 5 - Newleyine rock chip results on ground magnetics (RTP) – Nickel

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### **Forthcoming Work**

Mandrake anticipates that exploration licence application (ELA) 70/5345 (Jimperding Project) will be granted in the current quarter. The drill programme has been finalised and permitting is well advanced.

Mandrake has in recent weeks been undertaking a detailed review of other potential ultramafic targets in the broader Jimperding project so as to generate a pipeline of targets. Preliminary findings have been encouraging and Mandrake is now preparing to commission a airborne electromagnetic survey over the entire project.

### **Jimperding Project Farm-in Agreement**

In April 2020 Mandrake executed a binding Heads of Agreement with Andean Energy Resources Pty Ltd (AER) to farm-in to the Jimperding Project.

The terms of the farm-in agreement to ELA 70/5345 are:

- Cash payment to AER of \$40,000 **(paid)**
- Mandrake to expend \$100,000 to earn a 51% interest in ELA 70/5345 **(achieved)**
- Mandrake to expend a further \$200,000 to a 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 has now earned 51% of the Jimperding Project with another 29% (total 80%) likely to be earned before the end of the calendar year 2020.

## Exploration Activities - Berinka Pine Creek Gold Project

### Drilling Results

During the September 2020 quarter, Mandrake completed a reverse circulation (RC) drilling programme targeting gold mineralisation at its 100%-owned 289km<sup>2</sup> Berinka Pine Creek gold project in the Northern Territory.

Mandrake investigated two greenfield prospects, Vegetation Anomaly and Terry's Gap, identified from aeromagnetism and historic gold results derived from costeans.

RC hole FBRC005 at Vegetation Anomaly returned the following high grade gold-silver-copper intercept:

- 3m @ 1.8g/t Au, 32 g/t Ag and 2.1% Cu from 124m including;
  - 1m @ 3.7 g/t Au, 69 g/t Ag and 3.1% Cu from 124m

FBRC004, also at Vegetation Anomaly, returned 9m @ 0.31 g/t Au from 22m whilst FBRC002, targeting Terry's Gap recorded 7m @ 0.32 g/t Au from 120m.

Gold appears to be hosted in a series of veins in close proximity to a faulted contact between a gabbro and granite and is associated with sulphides, particularly pyrite and chalcopyrite (copper). The presence of high concentrations of silver and copper is particularly noteworthy in that previous drilling work at Berinka, primarily at Terry's Prospect in the mid-80s, identified gold with significantly lower copper and silver concentrations. This suggests that the mineralisation at the Vegetation Anomaly may represent a different mineralised system/event.

To assist in understanding the structural controls on mineralisation Mandrake engaged specialist downhole logging consultants to run an optical probe in two holes. This information has greatly assisted in determining the orientation of structures/veins of interest and has been invaluable in assisting with the generation of a follow-up drilling programme.

The generation of the above results from a small RC programme designed to scout prospects with little to no previous work is outstanding and has confirmed the gold prospectivity of the Berinka Project and compelled the Company to complete further drilling.

Mandrake completed a very limited drill programme of seven holes (five effective, two abandoned) for 733m of RC drilling. The programme was prematurely curtailed due to rig breakdown and as a result, only two (Vegetation Anomaly and Terry's Gap) prospects were drilled. The Cross and Sandy Creek prospects remain undrilled.

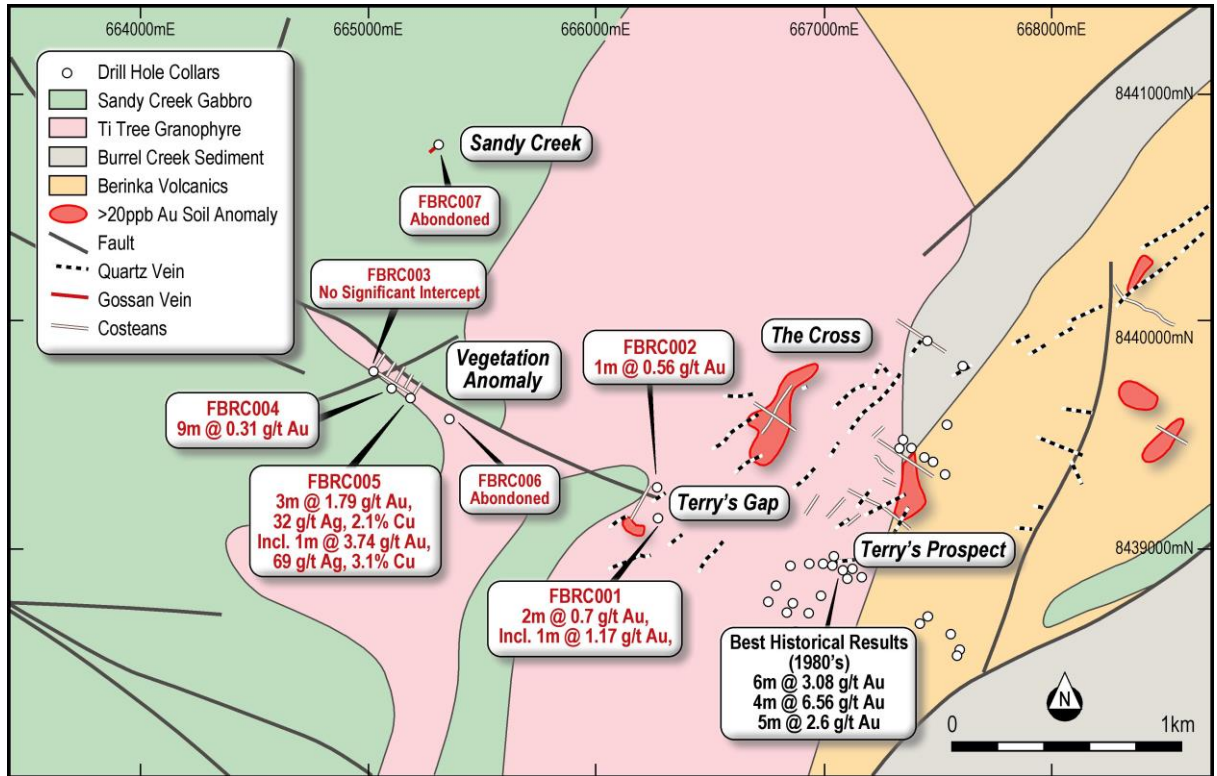


Figure 6: Plan showing inferred lithology, drill hole locations and results

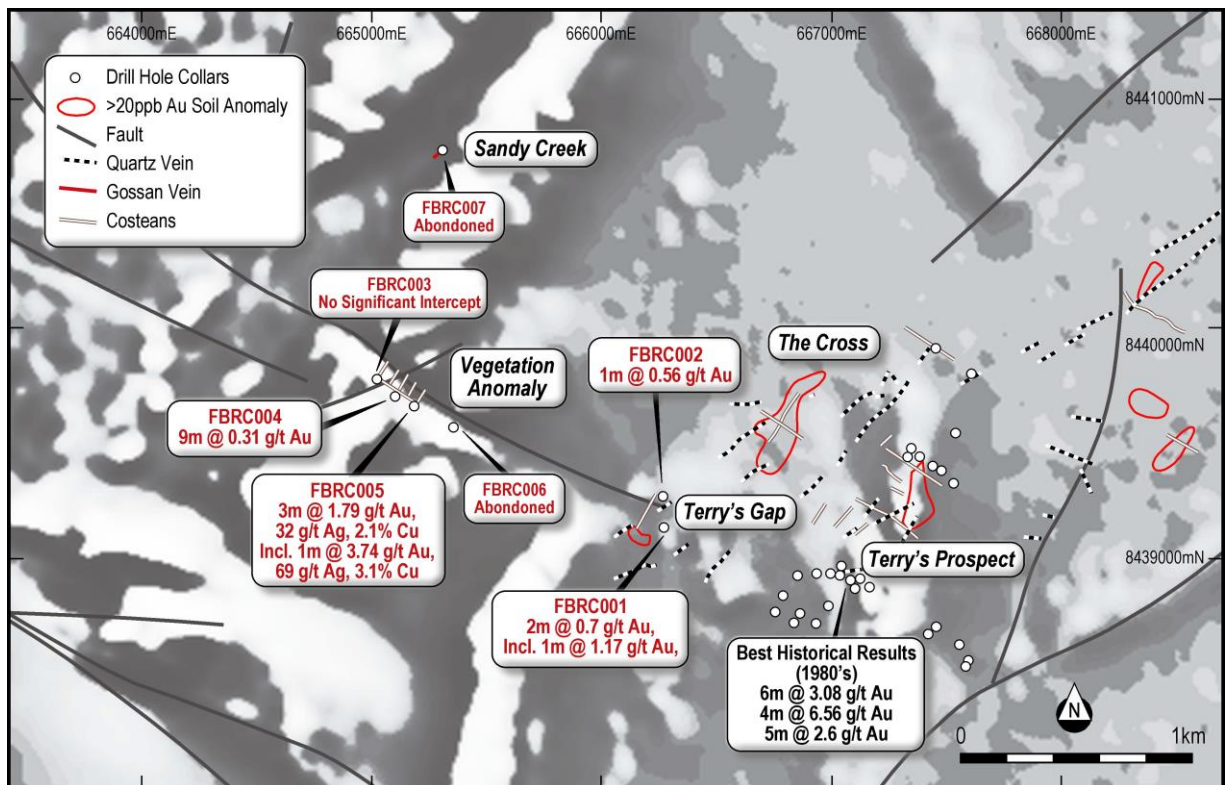


Figure 7: Plan showing 2010 Thomson Aviation high resolution aerial magnetics (1VD) and drill hole locations/results

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### Brief Exploration History – Berinka Gold Project

Carpentaria Exploration (CEC) first explored in the area in 1975 when a reconnaissance visit found quartz veining at what is now known as the Terry's Prospect that assayed 5.5g/t Au.

Over the next six years CEC conducted soil sampling, mapping, gridding, rock chip sampling and ground magnetics. Most of these activities were focused on the Terry's Prospect area which is situated approximately 2km south-east of Vegetation Anomaly. Importantly, Vegetation Anomaly and Terry's Prospect appear 'connected' by a distinct NW-SE lineament as interpreted from magnetic imagery (Figure 2).

In the mid-1980s CEC drilled 36 RC drill holes totalling 3,014m at Terry's prospect. Best intersections include\*:

- 4m @ 6.6g/t from 32m
- 6m @ 3.1g/t from 18m
- 5m @ 2.6g/t from 30m

\*A complete list of all historic drill intercepts is contained in the Mandrake Resources prospectus lodged with the ASX on 24 May 2019.

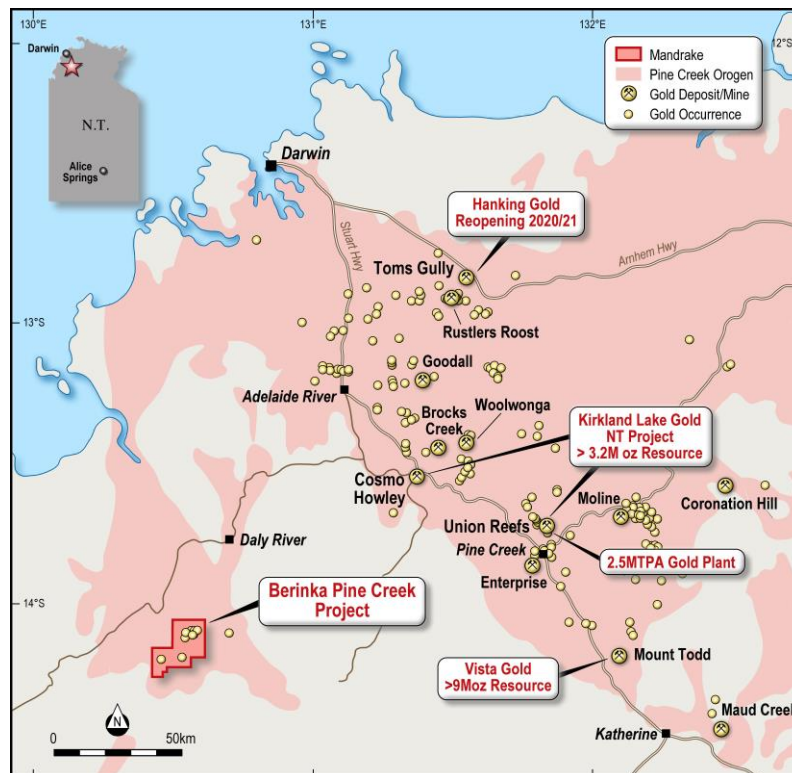


Figure 8 - Location of Berinka Pine Creek Project

### Admission to Frankfurt Stock Exchange

Prompted by enquiries from European-based investors, during the September 2020 quarter Mandrake dual-listed on the Frankfurt Stock Exchange. The dual listing facilitates greater exposure to European markets and increases reach to investors in other jurisdictions.

Mandrake's code on the Frankfurt Stock Exchange is CQ4.

The capital structure of Mandrake remains unchanged.

### Additional ASX Disclosure Information

**ASX Listing Rule 5.3.2:** There was no substantive mining production and development activities during the quarter.

#### ASX Listing Rule 5.3.3 - Schedule of Mineral Tenements as at 31 March 2020

Location	Project	Status	Tenement	Interest - start of quarter	Interest -end quarter
NT, Australia	Berinka	Granted	EL31710	100%	100%
WA, Australia	Jimperding	Application	EL70/5345	n/a	51% (Earning up to 80%)

**ASX Listing Rule 5.3.4:** Actual expenditure, since admission to the ASX, versus estimated expenditure on items within the use of funds statement in the Prospectus:

Funds Available	Use of Funds Statement \$000's	Actual Receipts August 2019 to September 2020 \$000's	Variance \$000,s Favourable/ (Unfavourable)
Existing cash reserves	222	84	(138)
Funds raised from the Offer	4,500	4,794	294
<b>Sub Total</b>	<b>4,722</b>	<b>4,878</b>	<b>156</b>
Exercise of options (net of costs)	-	1,328	1,328
<b>Total</b>	<b>4,722</b>	<b>6,206</b>	<b>1,484</b>
Allocation of Funds	For Two Year Period commencing August 2019	Actual Expenditure August 2019 to September 2020	Variance Favourable/ (Unfavourable)
Land access and mapping	(225)	(180)	45
Geochemistry and geophysics	(550)	(370)	180
Drilling	(1,200)	(102)	1,098
Corporate administration costs	(800)	(378)	422
Costs of the Offer	(417)	(267)	150

Working Capital	(1,530)	(696)	834
<b>Total expenditure</b>	<b>(4,722)</b>	<b>(1,993)</b>	<b>2,729</b>
Interest received	-	46	46
<b>Closing cash on hand</b>	-	<b>4,259</b>	<b>4,259</b>

**ASX Listing Rule 5.3.5:** Payments to related parties of the Company and their associates during the quarter per Section 6.1 of the Appendix 5B total \$84,000. This is comprised of Directors' fees (excl. GST) and salaries of \$84,000.

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

### About Mandrake Resources

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

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

For further information visit [www.mandrakeresources.com.au](http://www.mandrakeresources.com.au)

### Competent Persons Statement

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

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## Appendix 5B

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

Name of entity

**MANDRAKE RESOURCES LIMITED**

ABN

**60 006 569 124**

Quarter ended ("current quarter")

**30 September 2020**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (..3....months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(249)	(249)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(133)	(133)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(375)</b>	<b>(375)</b>

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

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..3....months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,341	1,341
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(13)	(13)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,328</b>	<b>1,328</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,306	3,306
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(375)	(375)
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)	1,328	1,328

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..3....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,259</b>	<b>4,259</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,759	306
5.2	Call deposits	2,500	3,000
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,259</b>	<b>3,306</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	84
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*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.*

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

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

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(375)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(375)
8.4 Cash and cash equivalents at quarter end (item 4.6)	4,259
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	4,259
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	11.5
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

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

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

### 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: .....23 October 2020.....

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

### Notes

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

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