

For personal use only

**MANDRAKE RESOURCES LIMITED**

A.B.N. 60 006 569 124

**ANNUAL REPORT**

**FOR THE YEAR ENDED**

**30 June 2022**

Table of Contents

CORPORATE DIRECTORY.....2

DIRECTORS' REPORT .....3

REMUNERATION REPORT (AUDITED) ..... 11

AUDITOR'S INDEPENDENCE DECLARATION ..... 15

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME..... 16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ..... 17

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ..... 18

CONSOLIDATED STATEMENT OF CASH FLOWS ..... 19

NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 June 2022 ..... 20

DIRECTORS' DECLARATION ..... 34

INDEPENDENT AUDITOR'S REPORT ..... 35

ASX ADDITIONAL INFORMATION .....39

For personal use only

**CORPORATE DIRECTORY**

**Directors**

Lloyd Flint – Non-Executive Chairman  
Roger Fitzhardinge – Non-Executive Director  
James Allchurch – Managing Director

**Company Secretary**

Lloyd Flint

**Registered office**

Level 1,  
10 Outram Street  
West Perth WA 6005  
Ph: +61 8 9200 3743  
Website: [www.mandrakeresources.com.au](http://www.mandrakeresources.com.au)

**Auditors**

BDO Audit (WA) Pty Ltd  
Level 9, Mia Yellagonga Tower 2,  
5 Spring Street  
Perth WA 6000

**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](mailto:hello@automicgroup.com.au)  
Website: [www.automicgroup.com.au](http://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

## ANNUAL REPORT 30 June 2022

### DIRECTORS' REPORT

Your directors present their report of the Company and its controlled entities for the financial year ended 30 June 2022.

#### Information on Directors

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

<b>Lloyd Flint</b>	Non-Executive Chairman and Company Secretary
<b>Qualifications</b>	BAcc, MBA, CAANZ, FINSIA, FGIA
<b>Experience</b>	Mr Flint is an experienced professional gained over 25 years including CFO and group Company Secretary roles for a number of listed ASX companies. Mr Flint currently provides financial and company secretarial services to a number of ASX listed companies
<b>Interest in Shares and Options</b>	Nil
<b>Directorships held in listed entities (last 3 years)</b>	Nil
<b>Roger Fitzhardinge</b>	Independent Non-Executive Director (Appointed 24 January 2022)
<b>Qualifications</b>	(B.Sc (Geology), MAusIMM)
<b>Experience</b>	Mr Fitzhardinge is a geologist with more than 20 years' experience in the exploration and mining industry. Mr Fitzhardinge is currently the General Manager - Exploration & Growth of Centaurus Metals Limited. Before joining Centaurus, Mr Fitzhardinge worked with Mirabela Nickel Ltd in Brazil as Manager of Technical Services. He has previously worked in gold exploration in the Yilgarn with Normandy (now Newmont) and Homestake (now Barrick) as well as BHP's iron ore operations in the Pilbara region. Mr Fitzhardinge lived in Brazil for 11 years and is fluent in Portuguese.
<b>Interest in Shares and Options</b>	2,050,000 ordinary fully paid shares
<b>Directorships held in listed entities (last 3 years)</b>	Nil
<b>James Allchurch</b>	— Managing Director
<b>Qualifications</b>	— BSc (Hons); AIG
<b>Experience</b>	— Mr Allchurch is a geologist with over 20 years' experience in oil, gas and mineral exploration and operations. Mr Allchurch has identified, financed and developed dozens of energy and mineral projects as well as having held various Board positions over the previous 10 years including ASX-listed Monto Minerals, 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.  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.
<b>Interest in Shares and Options</b>	— 2,500,000 Ordinary fully paid shares; 12,000,000 unlisted options @ \$0.03 expiring 28 November 2022; 8,500,000 Class A Performance Rights; 8,500,000 Class B Performance Rights
<b>Directorships held in listed entities (last 3 years)</b>	— In the past 3 years, James Allchurch has been a director of: Winchester Energy Limited – (Non-Executive Director – appointed 1 April 2020) PepinNini Lithium Limited – (Non-Executive Director - appointed 1 July 2019; resigned 11 November 2019).
<b>Patrick Burke</b>	— Non-Executive Chairman (resigned 24 March 2022)
<b>Qualifications</b>	— LLB

# MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

## ANNUAL REPORT 30 June 2022

### DIRECTORS' REPORT (CONT)

- Experience** — 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 listed companies, as well as NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions.
- Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.
- Interest in Shares and Options** — At the date of resignation: 5940,000 ordinary fully paid shares; 6,000,000 unlisted options @ \$0.03 expiring 28 November 2022.
- Directorships held in listed entities (last 3 years)** — In the past 3 years, Patrick Burke has been a director of:
- Meteoric Resources NL (Executive Chairman appointed 1 December 2017)
  - Province Resources Limited (Non-Executive Chairman appointed 9 November 2020)
  - Western Gold Limited (Non-Executive Director appointed 22 March 2021)
  - Torque Metals Limited (Non-Executive Director appointed 9 February 2021)
  - Triton Minerals Limited (Non-Executive Director appointed 22 July 2016)
  - Lycaon Resources Limited (Non-Executive Chairman, appointed 10 February 2021)
  - Koppar Resources Limited (Non-Executive Director appointed 5 February 2018; resigned 31 December 2019)
  - Vanadium Resources Limited (Non-Executive Director appointed 1 July 2017; resigned 29 November 2019)
  - Transcendence Technologies Limited (Non-Executive Director appointed 28 September 2018; resigned 20 November 2019).

### Meeting of Directors

The number of meetings of Directors held during the period and the number of meetings attended by each Director was as follows:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
Lloyd Flint	3	3
Roger Fitzhardinge	2	1
James Allchurch	3	3
Patrick Burke <sup>1</sup>	2	2

<sup>1</sup> Resigned 24 March 2022

### Principal Activities

The principal activity of the Company during the financial year ended 30 June 2022 was the exploration and evaluation of mineral resources.

### Operating Results

The consolidated loss of the group after providing for income tax amounted to \$559,764 (2021: Loss of \$3,108,541).

### Dividends Paid or Recommended

No interim dividend (2021: Nil) was paid during the year. No final dividend is recommended by the Directors.

## Review of Operations

During the year ended 30 June 2022 the Company completed a comprehensive drilling programme at the Jimperding Project designed to test several electromagnetic conductors identified at the Newleyine prospect and evaluated the exciting Delfin high-grade copper project in Chile.

Subsequent to the year ended 30 June 2022 the Company also commenced drilling at its 100%-owned Berinka Pine Creek Project located in the Northern Territory.

Further, Mandrake continued to assess various project opportunities across a broad range of commodities and geographies with a view to identifying attractive, suitably priced assets capable of adding shareholder value.

As at June 30 2022, the Company had approximately \$16.3M in cash.

### Jimperding Project (Mandrake 100%)

The 142km<sup>2</sup> Jimperding Project lies approximately 30km east of Chalice Mining Limited's (Chalice) Julimar PGE-Ni-Cu deposit and includes the historical Newleyine prospect and two new prospects identified by the Company (Tolarno North and South).

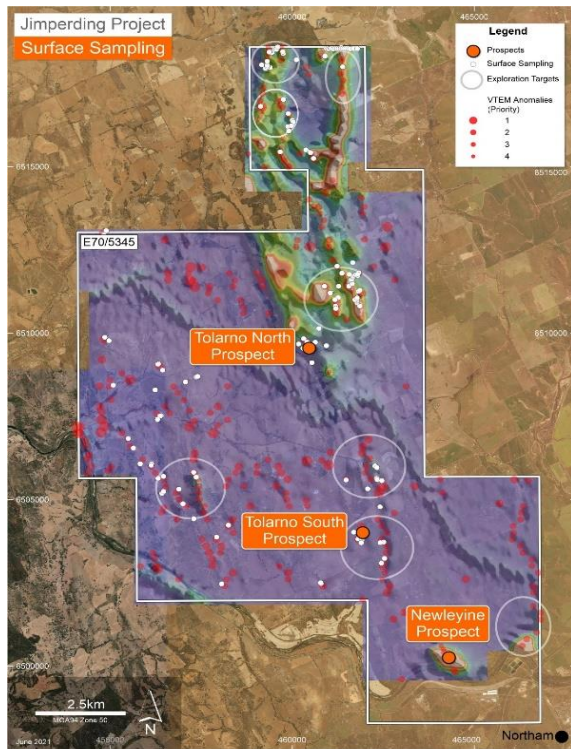


Figure 1 - Jimperding Project and prospects

### Newleyine Prospect

In July 2021 Mandrake completed three diamond drill holes at Newleyine before the programme was halted due to incessant rain in the Northam area restricting access to drill pads. Subsequent reverse circulation (RC) hole MNEWRC004 was drilled in January 2022.

Drilling targeted all three discrete, late-time electromagnetic (EM) bedrock anomalies that geophysical interpretation suggested could be the response of massive sulphides consistent with Julimar-style PGE-Ni-Cu mineralisation.

Diamond drill core was sampled over selected intervals based on lithology and potential mineralization whilst RC samples were selected based on preliminary XRF screening. A summary of the drill hole results is provided in Figure 2.

MNEWRC004 intersected the modelled position of EM conductor plate C however the hole did not intersect conductive material that would likely explain the presence of the plate.

A subsequent downhole EM survey (DHEM) revised and refined the precise three-dimensional location of the main conductor, identified as sitting immediately above and to the south-east of MNEWRC004. The single off-hole conductor identified by DHEM was modelled using late time EM data and is a ~80 x 20m strongly conductive plate (8,750 Siemens). The conductive plate is 125m below ground surface and is yet to be drilled.

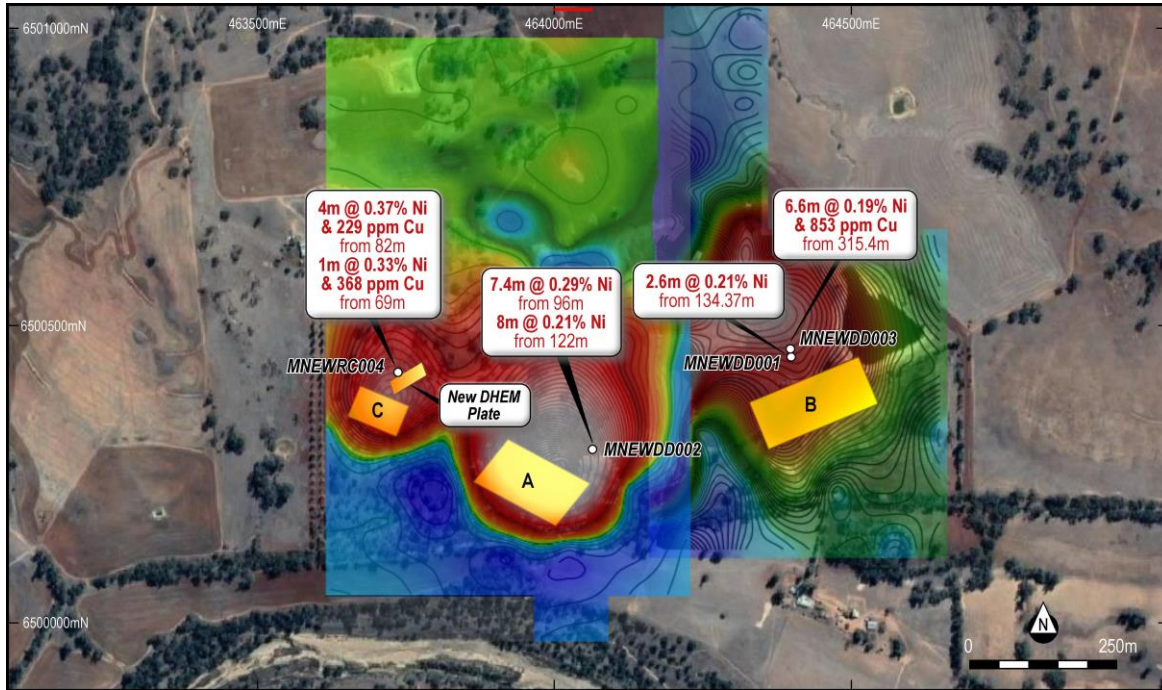


Figure 2 – Newleyne prospect showing FLEM EM conductors (A, B and C) and drill results

**Delfin Project - Chile**

On 25<sup>th</sup> March 2022 Mandrake announced that it had entered into an agreement (Terms Sheet) with Atacamoz Pty Ltd (Atacamoz) to, subject to the successful completion of due diligence, acquire a 100% interest in the Delfin high-grade copper project comprising an 84km<sup>2</sup> land package in the prolific copper-producing Antofagasta region of Chile.

During, and subsequent to, the year ending 30 June 2022 Mandrake has undertaken comprehensive assessment of the technical, legal, environmental and social components of the Delfin Project. Mandrake staff, including Managing Director James Allchurch, made several site visits to Delfin to conduct technical work and meet with the local community. Costs incurred in this regard have been expensed accordingly.

Mandrake secured two agreements with Atacamoz for an extension to the Terms Sheet due diligence period, taking the due diligence period end date to 24 September 2022. Due diligence work has progressed, with no decision however at the date of this report

**Delfin Project – Summary**

The Delfin project is located 235km east of Antofagasta and 115km south of San Pedro de Atacama (Figure 1).

Historical drilling at the Delfin 1 prospect encountered spectacular high-grade copper mineralisation at shallow depths as shown in Table 1 and Figure 3.

**Table 1: Significant assay results – Delfin 1**

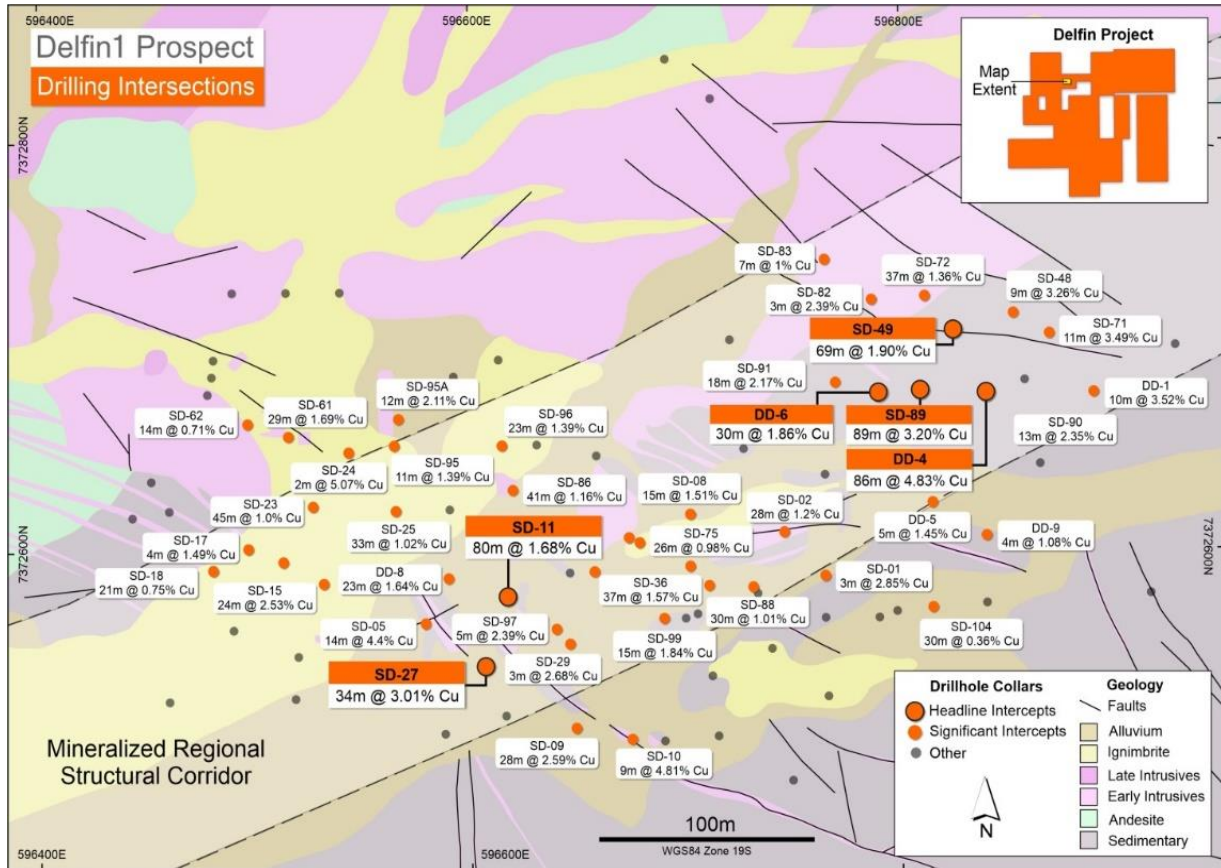
Drill hole	From	To	Interval	Cu Total (%)
DD-4	121	207	86	4.83
<i>including</i>	134	161	27	7.10
<i>and</i>	164	167	3	14.43
SD-89	122	211	89	3.20
SD-49	44	113	69	1.90
DD-6	113	143	30	1.86
SD-88	60	90	30	1.01
SD-95	72	87	11	1.39
SD-91	122	140	18	2.17
SD-27	18	52	34	3.01
SD-11	36	116	80	1.68

For personal use only



**MANDRAKE RESOURCES LIMITED**  
 ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

The project is largely contiguous and incorporates a number of key prospects with Delfin 1 being the focus of historical exploration activity. Such historical work has concentrated on a 300m x 100m area and includes two artisanal mines and over 15,000m of diamond and RC drilling.



**Figure 3: Delfin prospect – significant drill intercepts**

Historical drilling and exploration work has been sporadic, resulting in inconsistent geological interpretation and misunderstanding of the controls on mineralisation. The high-grade zones often appear oblique to drilling, suggesting that the historical drill orientation was not particularly favourable to identifying and defining the high-grade zones.

Please refer to the 25 March 2022 announcement for further technical information and JORC Table 1.

**Berinka Pine Creek Gold-Silver-Copper Project (Mandrake 100%)**

Subsequent to the year ended 30 June 2022, Mandrake commenced a RC drilling programme targeting high-grade gold and copper mineralisation at the 100%-owned Berinka Pine Creek Gold Project in the Northern Territory.

The drilling programme aims to follow up the encouraging 2020 drilling programme results and test five other prospects in the immediate vicinity (see Figure 4).

The programme comprises approximately 1,410m of RC drilling across 10 holes. The RC rig engaged has the ability to convert to diamond drilling as dictated by ground conditions, allowing for diamond tails if warranted.

For personal use only



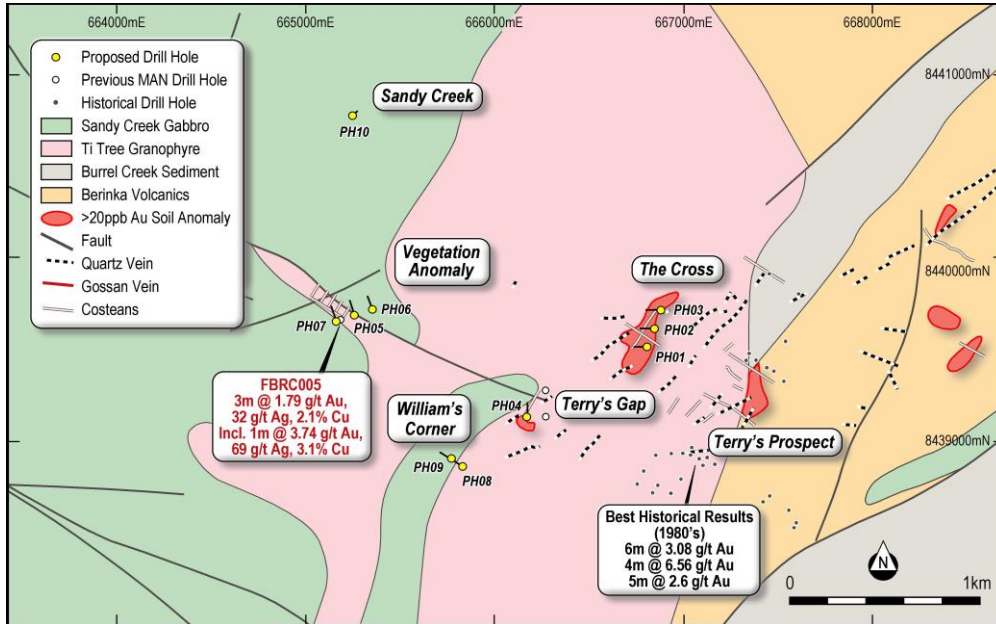


Figure 4: Plan showing inferred lithology, proposed and historic drill hole locations and results

**Soil and Rock Chip Sampling**

In July and August 2022, Mandrake carried out soil and rock chip sampling at Berinka with a view to refining existing prospects and generating new targets.

The infill soil sampling returned a peak result of 236 ppb Au. This sample appears to validate the DNL peak soil result of 250ppb Au on a line 200m to the north. A follow up program of closer spaced (25m x 50m) infill soil sampling between the two lines is warranted.

Rock chip results are pending.

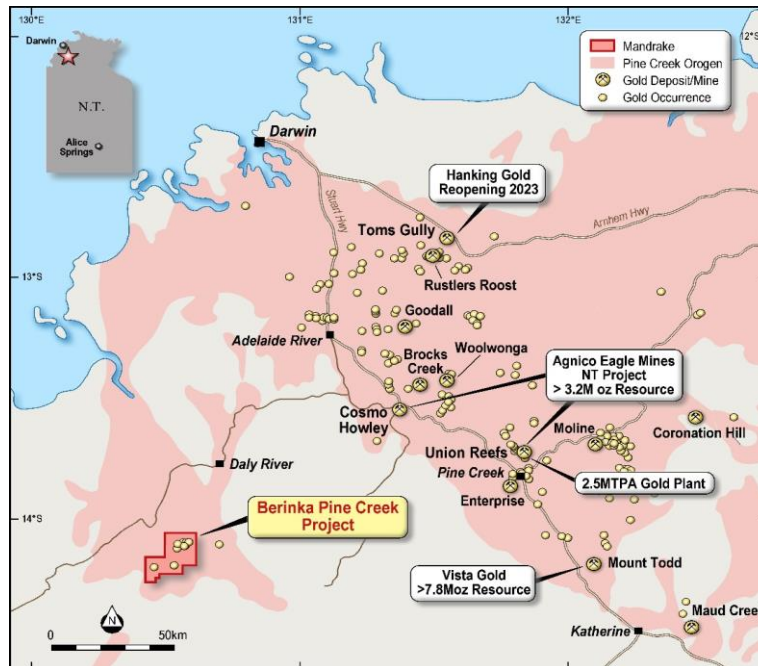


Figure 5: Location of Berinka Pine Creek Project

**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

For personal use only

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022**

**Financial Position**

The net assets of the Company at 30 June 2022 was \$19,681,226 (2021: \$18,883,629).

**Significant Changes in State of Affairs**

During the reporting year the company issued the following securities:

**Shares**

45,696,560 shares were issued on receipt of notice to exercise options raising \$1,370,897 for the Company before costs; 5,000,000 shares were issued on the exercise of 5,000,000 Performance Rights that had previously vested.

**Options**

3,000,001 options exercisable at 40c each expired on 14 July 2021.  
45,696,560 options were exercised during the year.

**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**

Notices to exercise 21,005,713 options exercisable at \$0.03 per option were received raising \$630,171 before costs for the Company.

An underwriting agreement was entered into to underwrite the exercise of the remaining 3 cent options expiring on 14 July 2022 which had not been exercised. As a result, 18,872,804 options were exercised at 3c each to raise \$566,184 for the company before costs.

Other than the above, there have been no significant events after the reporting date.

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022****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
28 November 2019	28 November 2022	\$0.03	18,000,000
22 June 2021	18 June 2024	\$0.30	5,000,000
29 June 2021	18 June 2024	\$0.30	6,000,000

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.

**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 29 June 2022, Director and Officers Insurance was taken out with Liberty Mutual Insurance Company.

**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 17.

	2022	2021
	\$	\$
Non-audit services		
– Other	565	2,750
	565	2,750

**Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 15.

For personal use only

## 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
9. Service agreements
10. Remuneration consultants
11. Voting of shareholders at the Company's 2021 Annual General Meeting

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

Lloyd Flint – Non-Executive Chairman (appointed 7 March 2021)

Roger Fitzhardinge – Non-Executive Director (appointed 24 January 2022)

James Allchurch – Managing Director (appointed 4 August 2019)

Pat Burke – Non-Executive Chairman (appointed 4 August 2019 – Resigned 24 March 2022)

### 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 or fees (which is based on factors such as length of service and experience) and superannuation.
- Incentives paid in the form of options and performance rights are intended to align the interests of the directors and Company with those of the shareholders. No incentive securities were issued during the year.
- KMP receive a superannuation guarantee contribution required by the government, which is currently 10% (2021: 9.5%) of the individual's average weekly ordinary time earnings (AWOTE), and do not receive any other retirement benefits. Some individuals, may choose 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 or performance rights 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.

**MANDRAKE RESOURCES LIMITED**  
 ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

**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.

**5. Details of Remuneration**

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

30 June 2022	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Patrick Burke <sup>1</sup>	43,870	-	-	-	43,870	-%
James Allchurch <sup>2</sup>	251,342	-	-	-	251,342	-%
Roger Fitzhardinge <sup>3</sup>	26,154	2,746	-	-	28,900	-%
Lloyd Flint <sup>4</sup>	36,000	-	-	-	36,000	-%
<b>Total</b>	<b>357,366</b>	<b>2,746</b>	<b>-</b>	<b>-</b>	<b>360,112</b>	<b>-%</b>

<sup>1</sup> Resigned 24 March 2022.

<sup>2</sup> Director fees are paid to Stoped Pty Ltd, a company controlled by Mr Allchurch.

<sup>3</sup> Appointed 24 January 2022. Fees are \$5,000 per month plus superannuation. As at 30 June 2022, \$26,154 in fees along with superannuation was due and payable.

<sup>4</sup> All fees were paid to Flint Family Trust, an entity controlled by Mr Flint. In addition, \$74,910 was paid to Mr Flint for financial and company secretarial services performed during the year

30 June 2021	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments <sup>1</sup>	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Patrick Burke	60,000	-	-	480,298	540,298	88.9%
James Allchurch <sup>2</sup>	277,254	-	-	1,633,012	1,910,266	85.5%
Ben Phillips <sup>3</sup>	27,000	-	-	198,879	225,879	88.0%
Lloyd Flint <sup>4</sup>	8,226	-	-	-	8,226	0.0%
<b>Total</b>	<b>372,480</b>	<b>-</b>	<b>-</b>	<b>2,312,189</b>	<b>2,684,669</b>	<b>86.1%</b>

<sup>1</sup> Refer note 10b for issue of performance rights approved at the annual general meeting in November 2020.

<sup>2</sup> Director fees are paid to Stoped Pty Ltd, a company controlled by Mr Allchurch.

<sup>3</sup> Mr Phillips resigned 7 March 2021. All fees were paid to Bob Alfred Pty Ltd ATF the Bob Alfred Trust (an entity controlled by Mr Phillips). The value of performance rights above excludes 2.0m of the rights that lapsed after issue, on resignation.

<sup>4</sup> Appointed 7 March 2021. All fees were paid to Flint Family Trust, an entity controlled by Mr Flint. In addition, \$78,750 was paid to Mr Flint for financial and company secretarial services performed during the year.

For personal use only

MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

ANNUAL REPORT 30 June 2022

REMUNERATION REPORT (AUDITED) (CONT)

6. Additional disclosures relating to options, performance rights and shares

KMP Options and Rights Holdings

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

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

Options 30 June 2022	Balance at the start of the year	Granted as Compensation and Exercisable	Options Expired	At resignation	Balance at end of Year
Patrick Burke <sup>1</sup>	6,000,000	-	-	(6,000,000)	-
James Allchurch	12,000,000	-	-	-	12,000,000
Roger Fitzhardinge	-	-	-	-	-
Lloyd Flint	-	-	-	-	-
<b>Total</b>	<b>18,000,000</b>	<b>-</b>	<b>-</b>	<b>(6,000,000)</b>	<b>12,000,000</b>

<sup>1</sup> Resigned 24 March 2022.

Performance Rights 30 June 2022	Balance at the start of the year	Granted as Compensation	Vested during the year	Exercised during the year	Balance at end of Year	
					Vested	Un-vested
Patrick Burke <sup>1</sup>	5,000,000	-	-	(5,000,000)	-	-
James Allchurch	17,000,000	-	-	-	17,000,000	-
Roger Fitzhardinge	-	-	-	-	-	-
Lloyd Flint	-	-	-	-	-	-
<b>Total</b>	<b>22,000,000</b>	<b>-</b>	<b>-</b>	<b>(5,000,000)</b>	<b>17,000,000</b>	<b>-</b>

<sup>1</sup> Exercised prior to resignation.

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 2022	Balance at the start of the year	Shares Purchased	Granted as Compensation	Other changes during the year	At resignation	Balance at end of Year
Patrick Burke	940,000	-	-	5,000,000	(5,940,000)	-
James Allchurch	2,500,000	-	-	-	-	2,500,000
Roger Fitzhardinge	-	2,050,000	-	-	-	2,050,000
Lloyd Flint	-	-	-	-	-	-
<b>Total</b>	<b>3,440,000</b>	<b>2,050,000</b>	<b>-</b>	<b>5,000,000</b>	<b>(5,940,000)</b>	<b>4,550,000</b>

Transactions between 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:

\$74,910 was paid to Mr Flint for financial and company secretarial services performed during the year.

There were no other transactions with KMP and their related parties other than what is disclosed above and Note 16.

7. Loans to KMP and their related parties

There were no loans to KMP and the related parties during the financial year (2021: nil).



**REMUNERATION REPORT (AUDITED) (CONT)****8. Consultancy agreements, and other transactions and balances with KMP and their related parties**

During the reporting period, no related parties of directors were engaged by the Company.

**9. Service agreements**

The Company entered into an executive service agreement with James Allchurch which was amended on 12 May 2020. The material terms of the agreement are as follows:

- (a). (Position): Mr Allchurch is appointed as the Managing Director of the Company.
- (b). (Commencement Date): Mr Allchurch's term as the Managing Director of the Company will commence on completion of the acquisition of Focus Exploration Pty Ltd.
- (c). (Term): Mr Allchurch's employment commenced on the Commencement Date and continue until the agreement is validly terminated in accordance with its terms.
- (d). (Notice period): The Company must give 6 months' notice to terminate the agreement other than for cause. Mr Allchurch must give 3 months' notice to terminate the agreement.
- (e). (Salary): The Company will pay Mr Allchurch a salary of \$220,000 per year for services rendered. Should Mr Allchurch be required to undertake services with time commitments above and beyond that contemplated by this agreement, with Board approval, the Mr Allchurch will receive a day rate of \$1,200 per day.

The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

**Non-executive Directors:**

Each of the non-executive Directors have signed letters of appointment. The key terms of appointment are:

	Patrick Burke <sup>1</sup>	Roger Fitzhardinge <sup>2</sup>	Lloyd Flint
Term	n/a	n/a	n/a
Remuneration	\$5,000 per month	\$5,000 per month	\$3,000 per month
Termination benefits	n/a	n/a	n/a

1 Resigned 24 March 2022

2 Appointed 24 January 2022

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

**10. Remuneration consultants**

The Board may, from time to time, engage independent remuneration consultants to assist with the review of the Company's remuneration policy and structure to ensure it remains aligned to the Company's needs and meets the Company's remuneration principles. The Company did not engage any independent remuneration consultants during the year.

**11. Voting of shareholders at the Company's 2021 Annual General Meeting**

The Company received more than 97.13% of "yes" votes on its remuneration report for the 2021 financial year. The Company did not receive any specific feedback at the Annual General Meeting or throughout the year on its remuneration practices.

**This is the end of the Remuneration Report.**

**Corporate Governance Statement**

Under ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be located at the URL on the Company's website: [http: https://www.mandrakeresources.com.au/about-us/corporate-governance/](https://www.mandrakeresources.com.au/about-us/corporate-governance/)

Signed in accordance with a resolution of the directors.



James Allchurch  
Managing Director  
Dated 23 September 2022

For personal use only

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 2022, 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 entities it controlled during the period.



Jarrad Prue  
Director

BDO Audit (WA) Pty Ltd  
Perth  
23 September 2022

For personal use only

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

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	30.06.2022	30.06.2021
		\$	\$
Interest Received		23,679	16,814
Exploration and evaluation expenditure expensed	8	(145,029)	-
Administration expenses		(225,440)	(632,523)
Consultancy Fees		(22,609)	(19,590)
Director Fees and employee costs		(105,870)	(95,226)
Travel expenses		(9,442)	(1,395)
Occupancy expenses		(33,525)	(14,625)
Legal compliance and professional fees		(41,528)	(49,807)
Share based payments	10.b	-	(2,312,189)
<b>(Loss) before income tax</b>		<b>(559,764)</b>	<b>(3,108,541)</b>
Income tax benefit/(expense)	3	-	-
<b>(Loss) for the year</b>		<b>(559,764)</b>	<b>(3,108,541)</b>
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss) for the year</b>		<b>(559,764)</b>	<b>(3,108,541)</b>
<b>Earnings per share</b>			
Basic and diluted (loss) per share	5	(0.001)	(0.009)

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

For personal use only

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 June 2022**

	Note	Consolidated Group	
		30.06.22	30.06.21
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	16,262,730	16,062,419
Other receivables	7	77,557	256,271
<b>TOTAL CURRENT ASSETS</b>		<u>16,340,287</u>	<u>16,318,690</u>
<b>NON- CURRENT ASSETS</b>			
Exploration and Evaluation expenditure	8	3,526,199	2,932,528
<b>TOTAL NON- CURRENT ASSETS</b>		<u>3,526,199</u>	<u>2,932,528</u>
<b>TOTAL ASSETS</b>		<u>19,866,486</u>	<u>19,251,218</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	185,260	367,589
<b>TOTAL CURRENT LIABILITIES</b>		<u>185,260</u>	<u>367,589</u>
<b>TOTAL LIABILITIES</b>		<u>185,260</u>	<u>367,589</u>
<b>NET ASSETS</b>		<u>19,681,226</u>	<u>18,883,629</u>
<b>EQUITY</b>			
Ordinary Share Capital	10a	33,704,247	32,346,886
Performance Right Reserve	10b	2,312,189	2,312,189
Option Reserve	10c	1,842,966	1,842,966
Accumulated (Losses)		(18,178,176)	(17,618,412)
<b>TOTAL EQUITY</b>		<u>19,681,226</u>	<u>18,883,629</u>

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

For personal use only

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

		Ordinary Share Capital	Performance Rights Reserve	Option Reserve	Accumulated (Losses)	Total Equity
		\$		\$	\$	\$
<b>Consolidated Group</b>						
<b>Balance at 1.7.2020</b>		17,470,027	-	893,112	(14,509,872)	3,853,267
Loss for the year		-	-	-	(3,108,541)	(3,108,541)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued during the year	10a	16,158,583	-	-	-	16,158,583
Share Issue Expenses	10a	(1,281,724)	-	-	-	(1,281,724)
Performance rights issued		-	2,312,189	-	-	2,312,189
Option Reserve		-	-	949,854	-	949,854
<b>Balance at 30.06.2021</b>		32,346,886	2,312,189	1,842,966	(17,618,412)	18,883,629
<b>Balance at 1.7.2021</b>		32,346,886	2,312,189	1,842,966	(17,618,412)	18,883,629
Loss for the year		-	-	-	(559,764)	(559,764)
<b>Transactions with owners in their capacity as owners</b>						
Shares issued during the year	10a	1,370,897	-	-	-	1,370,897
Share Issue Expenses	10a	(13,536)	-	-	-	(13,536)
<b>Balance at 30.06.2022</b>		33,704,247	2,312,189	1,842,966	(18,178,176)	19,681,226

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

For personal use only

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

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	Consolidated Group	
		30.06.2022	30.06.2021
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(442,027)	(357,974)
Interest received		23,679	16,814
<b>Net cash (outflow) inflow from operating activities</b>	14	(418,348)	(341,160)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditure	8	(738,702)	(1,199,358)
<b>Net cash (outflow) inflow from investing activities</b>		(738,702)	(1,199,358)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	10	1,370,897	15,089,250
Payment of share issue cost	10	(13,536)	(792,164)
<b>Net cash inflow from financing activities</b>		1,357,361	14,297,086
<b>Net increase in cash held</b>		200,311	12,756,568
Cash at beginning of year		16,062,419	3,305,851
<b>Cash and cash equivalents at end of year</b>	6	16,262,730	16,062,419

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

For personal use only



# MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

## ANNUAL REPORT 30 June 2022

### NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 June 2022

#### 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 23 September 2022 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 2022 was \$559,764, and as at 30 June 2022, the net assets was \$19,681,226. Cash and cash equivalents was \$16,262,730.

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 20 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.

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.

**MANDRAKE RESOURCES LIMITED**  
ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

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**

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) ,

For personal use only

**MANDRAKE RESOURCES LIMITED**  
ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

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, and
- 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. 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.

**l. 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.

**m. 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.

**n. Exploration and evaluation expenditure**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

For personal use only

## MANDRAKE RESOURCES LIMITED

ABN 60 006 569 124

### ANNUAL REPORT 30 June 2022

#### o. Share-based payments

The Group provides benefits to employees (including Directors) and consultants of the Group in the form of share-based payment transactions, whereby employees and consultants render services in exchange for shares, performance rights or options over shares ("equity-settled transactions").

The fair value of options and performance rights are recognised as an expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the holder becomes unconditionally entitled to the options. Fair value for options is determined using a Black-Scholes option pricing model and fair value for performing rights is determined using Barrier up-and-in trinomial hybrid method. In determining fair value, no account is taken of any performance conditions other than those related to the share price of Mandrake Resources ("market conditions").

#### p. Financial Instruments

##### *Classification*

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 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*

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.

#### q. 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 and economic data, obtained both externally and within the group.

##### **Covid-19**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

##### **Share-based payments**

The measurement of fair value requires the Group to make certain significant estimates and judgements as disclosed in the relevant note to the financial statements. The accounting estimates and judgements relating to equity-settled share based payments impact amounts recorded as assets and liabilities, and profit and loss. Please refer to Notes 10 and 11 for further information.

##### **Exploration and evaluation expenditure**

The consolidated group capitalises expenditure relating to exploration and evaluation costs where they are considered to be likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of economically recoverable resources. Capitalisation of expenditure requires the consolidated group to make a judgement on the extent that expenditure on exploration and evaluation assets will likely be recovered in the future through mineral extraction or some other form of commercialisation of the exploration and evaluation stage assets.

The future recoverability of capitalised exploration and evaluation costs are dependent on a number of factors, including whether the consolidated group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale. Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

**MANDRAKE RESOURCES LIMITED**  
ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

**Asset Acquisition not Constituting a Business**

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

**Changes in accounting policies and Accounting Policies issued not yet effective**

There are no standards that are not yet effective and that would be expected to have a material impact on the consolidated entity in the current of future reporting periods and on foreseeable future transactions.

For personal use only

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022**

**2022**  
\$

**2021**  
\$

**NOTE 2: REVENUE AND OTHER INCOME**

**Other Income**

Interest received or due and receivable from other persons	23,679	16,814
	<b>23,679</b>	<b>16,814</b>

**2022**  
\$

**2021**  
\$

**NOTE 3: OPERATING (LOSS)**

**(Loss) before income tax expense includes the following expenses**

Audit and Accounting	30,921	42,699
Financial expenses	-	120
Legal and compliance fees	87,453	49,807
Travel	9,442	1,395

**NOTE 3: INCOME TAX EXPENSE**

**2022**  
\$

**2021**  
\$

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)	(153,935)	(854,849)
Deferred tax assets not recognised (temporary)	-	-
	<b>(153,935)</b>	<b>(854,849)</b>
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	(559,764)	(3,108,541)
Prima facie tax payable on (profit) from ordinary activities before income tax at 27.5% (2021: 27.5%)	(153,935)	(854,849)
Add:		
Tax effect of:		
— Other non-allowable items	(47,053)	643,528
Less:		
Tax effect of:		
— Utilisation of deferred tax assets previously not recognised	-	-
— Deferred tax assets not recognised (losses)	200,968	211,321
— Deferred tax assets not recognised (temporary)	-	-
Income tax expense/(benefit)	-	-

The deferred tax assets on revenue losses have not been recognised as it is not probable that taxable profits will be available against which the deductible temporary differences can be utilised. At reporting date, the group has unrecognised losses of \$4,153,410 (2021: \$2,601,794) and unrecognised net deferred tax asset of \$ 1,142,188 (2021: \$291,250).

**NOTE 4: DIVIDENDS**

No dividends have been paid during the financial year (2021: nil)



**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022****NOTE 5: LOSS PER SHARE**

	<b>2022</b>	<b>2021</b>
Net (loss) used in the calculation of basic EPS	\$ (559,764)	(3,108,541)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	No. 478,229,611	331,587,389
Basic (loss) per share	\$ (0.001)	(0.009)

For the year ended 30 June 2022, diluted loss 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 losses performance of the Company.

**NOTE 6: CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	\$	\$
Cash at bank and on hand	16,262,730	16,062,419
	<u>16,262,730</u>	<u>16,062,419</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

**NOTE 7: OTHER RECEIVABLES**

	<b>2022</b>	<b>2021</b>
	\$	\$
CURRENT		
Other receivables	47,921	153,740
Deposits	29,636	102,531
	<u>77,557</u>	<u>256,271</u>

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

**NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE**

	<b>2022</b>	<b>2021</b>
	\$	\$
Opening balance	2,932,528	593,375
Share based payments to acquire license and services (note 10)	-	1,139,795
Exploration and evaluation interests written off	(145,029)	
Exploration and evaluation expenditure	738,701	1,199,358
	<u>3,526,199</u>	<u>2,932,528</u>

The exploration projects of the Company require additional exploration work in order to be able to assess their prospectively as economic deposits. Notwithstanding certain due diligence costs have been expensed, no triggers for impairment have been identified.

**NOTE 9: TRADE AND OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	\$	\$
CURRENT		
Trade payables and other payables	185,260	367,589
	<u>185,260</u>	<u>367,589</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022**

**NOTE 10: CONTRIBUTED EQUITY**

a. Share Capital	2022	2022	2021	2021
	\$	No.	\$	No.
Ordinary fully paid shares	33,704,247	494,621,403	32,226,496	443,924,843
<b>Movement in ordinary shares on issue</b>				
Balance at 1 July	32,346,886	443,924,843	17,470,027	266,466,510
Exercise of options	1,370,897	45,696,560	3,089,250	102,975,000
Shares issued for services	-	-	389,833	3,483,333
Share issue for acquisition of exploration license	-	-	679,500	9,000,000
Placement	-	-	12,000,000	60,000,000
Exercise of rights	-	5,000,000	-	2,000,000
Share Issue Costs	(13,536)	-	(1,281,724)	-
<b>Balance at 30 June 2022</b>	<b>33,704,247</b>	<b>494,621,403</b>	<b>32,346,886</b>	<b>443,924,843</b>

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.

b. Performance Rights Reserves	2022		2021	
	No.	\$	No.	\$
Period opening balance	22,000,000	2,312,189	-	-
Issue of Performance Rights	-	-	26,000,000	2,497,547
Exercised	(5,000,000)	-	(2,000,000)	-
Lapsed	-	-	(2,000,000)	(185,358)
Period closing balance	17,000,000	2,312,189	22,000,000	2,312,189

**2022**

No performance rights were issued during the year ended 30 June 2022.

**2021**

A total of 13,000,000 Class A Performance Rights and 13,000,000 Class B Performance Rights were issued to the directors of the Company. The terms of the Performance Rights are as follows:

Class	Vesting Condition	Entitlement
Class A Performance Rights	The 20 Day volume weighted average price of Shares traded on ASX is greater than \$0.10 per Share.	50% of total granted Performance Rights
Class B Performance Rights	The 20 Day volume weighted average price of Shares traded on ASX is greater than \$0.15 per Share.	50% of total granted Performance Rights

The Rights were valued as follows:

Methodology	Class A Performance Rights	Class B Performance Rights
	Barrier up-and-in trinomial hybrid method	Barrier up-and-in trinomial hybrid method
Inputs:		
Underlying security spot price	\$0.105	\$0.105
Exercise price	Nil	Nil
Valuation date	30 November 2020	30 November 2020
Commencement of performance period	30 November 2020	30 November 2020
End of performance period	30 November 2023	30 November 2023
Performance period (years)	3	3
Implied share price barrier	\$0.14	\$0.21
Volatility	100%	100%
Risk-free rate	0.11%	0.11%
Dividend yield	Nil	Nil
Value per right	\$0.0994	\$0.0927

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022**

The value of the grant of the rights was calculated to be \$2,312,189 of which has been expensed to share based payments in the statement of profit or loss and other comprehensive income as a result of relevant hurdles being achieved during the year ended 30 June 2021.

The rights were issued pursuant to approval at the 2020 annual general meeting as follows:

Class of Performance Rights	Patrick Burke entitlement	Value \$	Ben Phillips entitlement	Value \$	James Allchurch entitlement	Value \$	Total Value
Class A Performance Rights	2,500,000	248,600	2,000,000	198,880	8,500,000	845,240	1,292,720
Class B Performance Rights	2,500,000	231,698	2,000,000	<sup>1</sup> -	8,500,000	787,772	1,019,469
<b>Total</b>	<b>5,000,000</b>	<b>480,298</b>	<b>4,000,000</b>	<b>198,880</b>	<b>17,000,000</b>	<b>1,633,012</b>	<b>2,312,189</b>

<sup>1</sup> Lapsed on resignation

**C.**

Option Reserve	2022		2021	
	\$	Number	\$	Number
Period opening balance	1,842,966	117,575,078	893,112	209,550,078
Options expired	-	(3,000,001)	-	-
Broker options	-	-	489,560	5,000,000
Drilling and exploration options	-	-	460,294	6,000,000
Options exercised	-	(45,696,560)	-	(102,975,000)
	<b>1,842,966</b>	<b>68,878,517</b>	<b>1,842,966</b>	<b>117,575,078</b>

Options	Grant date	Expiry date	Balance at the start	Granted during the year	Exercise Price \$	Exercised during the year	Expired during the year	Balance at the end of the year	Vested and exercisable at year end
Existing	14/07/17	14/07/21	2,250,001	-	0.400	-	(2,250,001)	-	-
Existing	30/11/17	14/07/21	750,000	-	0.400	-	(750,000)	-	-
Converting loans	4/06/19	14/07/22	11,000,000	-	0.030	(11,000,000)	-	-	-
Debt extinguishment	12/08/19	14/07/22	13,200,727	-	0.030	(13,200,727)	-	-	-
Capital raising	12/08/19	14/07/22	10,095,950	-	0.030	(10,095,950)	-	-	-
Broker	12/08/19	14/07/22	45,278,400	-	0.030	(5,399,883)	-	39,878,517	39,878,517
Directors	28/11/19	28/11/22	24,000,000	-	0.030	(6,000,000)	-	18,000,000	18,000,000
Lead Manager	22/06/21	18/06/24	5,000,000	-	0.300	-	-	5,000,000	5,000,000
Driller	29/06/21	18/06/24	5,000,000	-	0.300	-	-	5,000,000	5,000,000
Geologist	29/06/21	18/06/24	1,000,000	-	0.300	-	-	1,000,000	1,000,000
			<b>117,575,078</b>	<b>-</b>		<b>(45,696,560)</b>	<b>(3,000,001)</b>	<b>68,878,517</b>	<b>68,878,517</b>

**2022**

No options were issued during the year ended 30 June 2022.

**2021**

The fair value of the options issued was calculated using Black-Scholes modelling as fair value of services received could not be measured reliably. A fair value of 9.79c and 7.67c respectively for lead manager and drilling and geology options were calculated. The options vested on grant. The following inputs were used in the calculation:

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022**

	Lead Manager Options	Driller/Geologist ptions
Valuation date (equal to grant date under AASB 2)	18 June 2021	29 June 2021
Exercise price	30 cents	30 cents
Expiration date	18 June 2024	28 June 2024
Share price at valuation date	\$0.1723	\$0.1423
Risk free rate of interest	0.21% p.a.	0.21% p.a.
Company share price volatility	110% p.a.	110% p.a.
Fair value	\$0.0979	\$0.0767
Quantity	5,000,000	6,000,000
Value	\$489,560	\$460,294

The Broker options were considered to be capital raising costs, the value recorded was deducted against share capital. The drilling and geology options were capitalised in exploration and evaluation costs. All the options vested on grant of the respective options.

**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 11: ASSET ACQUISITION DURING THE PERIOD****2022**

There were no acquisitions during the year to 30 June 2022.

**2021**

9,000,000 shares were issued to acquire the Jimperding Project license E70/05345 from Andean Energy Resources Pty Ltd. 4,500,000 shares were issued when the share price was 5.7c per share. A second tranche of 4,500,000 shares was issued when the share price had a one day volume weighted trade price of 9.4c per share. The resultant value for the issue of the 9.0m shares of \$679,500 was capitalised to exploration and evaluation expenditure.

There were no other acquisitions during the year.

**NOTE 12: COMMITMENTS AND CONTINGENCIES**

There are no material commitments or contingencies within the group at reporting date (2021: nil).

Minimum annual exploration expenditure on granted leases is \$87,000 (2021: 87,000).

**NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE**

Notices to exercise 21,005,713 options exercisable at \$0.03 per option were received raising \$630,171 before costs for the Company. An underwriting agreement was entered into to underwrite the exercise of the remaining 3 cent options expiring on 14 July 2022 which had not been exercised. As a result, 18,872,804 options were exercised at 3c each to raise \$566,184 for the company before costs.

Other than the above, there have been no significant events after the reporting date.

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022****NOTE 14: CASH FLOW INFORMATION****Reconciliation of profit/(loss) after income tax expense to net cash used in operating activities**

	<b>2022</b>	<b>2021</b>
	\$	\$
Loss for the year	(559,764)	(3,108,541)
Non-cash items recorded in Profit and Loss:		
Share-based payments	-	2,702,022
Exploration and evaluation interests written off	145,029	-
Changes in working capital balances		
Trade and other receivables	178,715	(186,953)
Trade and other payables	(182,328)	252,312
Net cash outflow from operating activities	<u>(418,348)</u>	<u>(341,160)</u>

**NON-CASH INVESTING ACTIVITIES****2022**

There were no non-cash investing activities during the year.

**2021**

The entity acquired the Jimperding Project license E70/05345 from Andean Energy Resources Pty Ltd. The acquisition was funded through the issue of shares with a fair value of \$679,500. This acquisition is not reflected in the statement of cash flows. 3,483,333 ordinary fully paid shares were issued to service providers for services were fair valued and \$389,833 was expensed to investor relations and are not reflected in the statement of cashflows.

**NOTE 15: 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 below and Note 16.

**(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:

\$74,910 was paid to Mr Flint for financial and company secretarial services performed during the year.

There were no other transactions with KMP and their related parties other than what is disclosed above and Note 16.

**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022****NOTE 16: 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 2022.

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

	<b>2022</b>	<b>2021</b>
	\$	\$
Short-term employee benefits	357,366	372,480
Post-employment benefits	2,746	-
Other long-term benefits	-	-
Share-based payments	-	2,312,189
Total KMP compensation	<u>360,112</u>	<u>2,684,669</u>

**Short-term employee benefits**

These amounts include fees and benefits paid to the non-executive Chair, non-executive directors and 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.

**Share-based payments**

There were no related party share based payments during the year.

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

**NOTE 17: AUDITOR'S REMUNERATION**

	<b>2022</b>	<b>2021</b>
	\$	\$
Remuneration of the auditor for:		
- auditing or reviewing the financial statements – BDO Audit (WA) Pty Ltd	36,988	47,603
Remuneration of the auditor for non-assurance services:		
- Other	565	2,750
	<u>37,503</u>	<u>50,353</u>

**NOTE 18: 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:

	<b>2022</b>	<b>2021</b>
	\$	\$
Financial Assets		
Cash and cash equivalents – interest bearing	16,262,730	16,062,419

*Sensitivity*

At 30 June 2022, if interest rates had increased by 1.75% (2021: 0.25%) from the year end variable rates with all other variables held constant, post tax profit and equity for the group would have been \$284,598 (2021: \$40,156) higher. The 1.75% (2021: 0.25%) sensitivity is based on reasonably possible changes over a financial year, using an observed range of historical RBA movements over the last few years.



**MANDRAKE RESOURCES LIMITED**

ABN 60 006 569 124

**ANNUAL REPORT 30 June 2022****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.

**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 19: 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.

	2022	2021
	\$	\$
<b>Financial position of the parent entity at year end</b>		
Current assets	16,405,671	16,384,074
Non-current assets	3,526,399	2,932,628
<b>Total assets</b>	<b>19,932,070</b>	<b>19,316,802</b>
Current Liabilities	250,844	433,173
<b>Total liabilities</b>	<b>250,844</b>	<b>433,173</b>
<b>Total equity of the parent entity comprising of:</b>		
Share capital	33,704,247	32,346,886
Reserves	4,155,155	4,155,155
Accumulated losses	(18,178,176)	(17,618,412)
<b>Total equity</b>	<b>19,681,226</b>	<b>18,883,629</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total Profit/(loss)	(559,764)	(3,108,541)
<b>Total comprehensive loss</b>	<b>(559,764)</b>	<b>(3,108,541)</b>

**COMMITMENTS AND CONTINGENCIES**

Mandrake Resources Limited has minimum annual exploration expenditure commitments of \$87,000 (2021: \$nil). The entity does not have any contingent assets and liabilities at 30 June 2022 (30 June 2021: nil).

**NOTE 20: CONTROLLED ENTITIES**

Name	Country of incorporation	Percentage owned	
		2022	2021
Focus Exploration Pty Ltd	Australia	100%	100%
Seventh Son Pty Ltd	Australia	100%	100%

**NOTE 21: FAIR VALUES OF FINANCIAL INSTRUMENTS**

**Recurring fair value measurements**

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements

**Fair values of financial instruments not measured at fair value**

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

For personal use only

**MANDRAKE RESOURCES LIMITED**  
ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

**DIRECTORS' DECLARATION**

---

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached consolidated financial statements as at 30 June 2022 and notes thereto are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements;
- (c) in the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the consolidated financial position and performance of the Company; and
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act.

Signed in accordance with a resolution of the Directors made pursuant to s.295 (5) of the Corporations Act 2001.



James Allchurch  
Managing Director  
Dated 23 September 2022

## 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 2022, 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 2022 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 (including Independence Standards)* (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.

For personal use only

## 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.

### CARRYING VALUE OF EXPLORATION AND EVALUATION ASSETS

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>The carrying value of the capitalised exploration and evaluation asset as at 30 June 2022 is disclosed in Note 8 of the financial report.</p> <p>As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> <li>• Whether the conditions for capitalisation are satisfied;</li> <li>• Which elements of exploration and evaluation expenditures qualify for recognition; and</li> <li>• Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</li> </ul> <p>As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Verifying, on a sample basis, exploration and evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6;</li> <li>• Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and</li> <li>• Assessing the adequacy of the related disclosures in Note 8 to the financial report.</li> </ul>

For personal use only

## 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 2022, 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:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.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 11 to 14 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Mandrake Resources Limited, for the year ended 30 June 2022, 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 black ink, appearing to read 'J Prue', is written over the printed name.

Jarrad Prue

Director

Perth

23 September 2022

For personal use only

**MANDRAKE RESOURCES LIMITED**  
 ABN 60 006 569 124  
**ANNUAL REPORT 30 JUNE 2022**

**ASX ADDITIONAL INFORMATION**

The shareholder information set out below was applicable as at 18 September 2022.

As at 18 September 2022 there were 3,720 holders of 534,499,920 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 18 September 2022 are as follows:

Ordinary Fully Paid Shares

Holder Name	Holding	%
BNP PARIBAS NOMS PTY LTD <DRP>	31,873,991	5.96%
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	20,774,935	3.89%
CITICORP NOMINEES PTY LIMITED	14,805,398	2.77%
MARTINI 29 PTY LTD	13,273,951	2.48%
LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C>	8,552,908	1.60%
BELLARINE GOLD PTY LTD <RIBBLESDALE SUPER FUND A/C>	7,559,467	1.41%
BROWN BRICKS PTY LTD <HM A/C>	5,800,000	1.09%
ESZLENY INVESTMENTS PTY LTD <TANACS FAMILY A/C>	5,500,000	1.03%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	5,440,328	1.02%
PURESTEEL HOLDINGS PTY LTD <RATTIGAN SUPER FUND A/C>	5,432,711	1.02%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	5,223,046	0.98%
708 CAPITAL PTY LTD	5,133,333	0.96%
ROWAN HALL PTY LTD <ROWAN HALL TRADING A/C>	5,000,000	0.94%
ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	4,325,000	0.81%
ABDUL FIDA PTY LTD <AR&F DANNAOUI FAMILY A/C>	4,000,000	0.75%
DC & PC HOLDINGS PTY LTD <DC & PC NEESHAM SUPER A/C>	3,700,000	0.69%
SWANCAVE PTY LTD <BMC FAMILY A/C>	3,439,809	0.64%
ONGAVA PTY LTD <PRH SUPER FUND A/C>	3,300,000	0.62%
MR GARRY SHANE COOMBE	3,184,649	0.60%
ST BARNABAS INVESTMENTS PTY LTD	3,150,000	0.59%
<b>Totals</b>	<b>159,469,526</b>	<b>29.84%</b>

**SUBSTANTIAL HOLDERS**

No changes to substantial holdings notices have been received by the Company since the last Annual Report was released.



**MANDRAKE RESOURCES LIMITED**  
 ABN 60 006 569 124  
**ANNUAL REPORT 30 June 2022**

**ASX ADDITIONAL INFORMATION (CONT)**

**DISTRIBUTION OF EQUITY SECURITIES**

Ordinary Fully Paid Shares

Unmarketable Parcels – 1,289 Holders comprising a total of 3,107,266 ordinary fully paid shares. This is based on a price of \$0.059, being the closing trading price on 18 September 2022..

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	673	64,364	0.01%
1,001 - 5,000	288	1,032,615	0.19%
5,001 - 10,000	410	3,332,070	0.62%
10,001 - 100,000	1,639	69,750,784	13.05%
100,001 - 9,999,999,999	710	460,320,087	86.12%
<b>Totals</b>	<b>3,720</b>	<b>534,499,920</b>	<b>100.00%</b>

**RESTRICTED SECURITIES**

There were no restricted securities as at 18 September 2022.

**UNQUOTED SECURITIES**

As at 18 September 2022, the following unquoted securities are on issue:

**18,000,000 Options expiring 28/11/2022 exercisable at \$0.03 - 2 Holders**

MR JAMES PETER ALLCHURCH	<MANSTEIN HOLDINGS A/C>	12,000,000	66.67%
ROWAN HALL PTY LTD	<ROWAN HALL INVESTMENT A/C>	6,000,000	33.33%

**11,000,000 Options expiring 28/11/2022 exercisable at \$0.03 – 5 Holders**

BELL POTTER NOMINEES LTD		3,750,000	34.1%
BLUE SPEC DRILLING PTY LTD		5,000,000	45.5%

**17,000,000 Performance rights - 1 Holder**

MR JAMES PETER ALLCHURCH	<MANSTEIN HOLDINGS A/C>	17,000,000	
--------------------------	-------------------------	------------	--

**ON-MARKET BUY BACK**

There is currently no on-market buyback program.