

MANDRAKE RESOURCES LIMITED

A.B.N. 60 006 569 124

ANNUAL REPORT

FOR THE YEAR ENDED

30 June 2020

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ABN 60 006 569 124
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CORPORATE DIRECTORY

Directors

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

Company Secretary

Lloyd Flint

Registered office

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

Auditors

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

Share Registry

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

Bankers

National Australia Bank
1232 Hay Street
West Perth WA 6005

Securities Exchange Listing

Australian Securities Exchange Limited

ASX Code – MAN

MANDRAKE RESOURCES LIMITED

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DIRECTORS' REPORT

Your directors present their report of the Company and its controlled entities for the financial year ended 30 June 2020.

Information on Directors

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

Patrick Burke	—	Non-Executive Chairman (appointed 4 August 2019)
Qualifications	—	<i>LLB</i>
Experience	—	<p>Mr Burke holds a Bachelor of Laws from the University of Western Australia. He has extensive legal and corporate advisory experience and over the last 15 years has acted as a Director for a large number of ASX, NASDAQ and AIM listed companies. His legal expertise is in corporate, commercial and securities law in particular capital raisings and mergers and acquisitions.</p> <p>Mr Burke's corporate advisory experience includes identification and assessment of acquisition targets, strategic advice, deal structuring and pricing, funding, due diligence and execution.</p>
Interest in Shares and Options	—	940,000 ordinary fully paid shares; 6,000,000 unlisted options @ \$0.03 expiring 28 November 2022
Directorships held in listed entities	—	<p>In the past 3 years, Patrick Burke has been a director of:</p> <p>Triton Minerals Limited (Deputy Chairman – appointed 22 July 2016)</p> <p>Meteoric Resources Limited (Executive Chairman – appointed 1 December 2017)</p> <p>Vanadium Resources Limited (Non-Executive Director - appointed 1 July 2017; resigned 29 November 2019)</p> <p>Koppar Resources Limited (Non-Executive Director - appointed 5 February 2018; resigned 31 December 2019)</p> <p>Transcendence Technologies Limited (Non-Executive Director - appointed 28 September 2018; resigned 20 November 2019)</p> <p>ATC Alloys Limited (Non-Executive Director – appointed 8 September 2014; resigned 1 June 2018)</p> <p>Pan Pacific Petroleum NL (Non-Executive Director – appointed 22 November 2016; resigned 13 November 2017).</p>
James Allchurch	—	Managing Director (appointed 4 August 2019)
Qualifications	—	<i>BSc (Hons)</i>
Experience	—	<p>Mr Allchurch is a geologist with over 19 years' experience in mineral exploration, geotechnical assessment and mining operations. Mr Allchurch was the Managing Director of ASX-listed company Monto Minerals which controlled copper mining and tin exploration operations in Queensland and has held various Board positions over the previous 10 years including ASX-listed Bligh Resources and various private entities. More recently Mr Allchurch founded a Chilean cobalt mining exploration company, executing detailed exploration activities prior to a cash sale to a US-based fund.</p> <p>Mr Allchurch spent six years working at Ascent Capital and has considerable expertise in the identification and assessment of resource projects over a broad range of commodities in geographies including Europe, Australia, Africa and South America.</p>
Interest in Shares and Options	—	2,500,000 Ordinary fully paid shares; 12,000,000 unlisted options @ \$0.03 expiring 28 November 2022.
Directorships held in listed entities	—	<p>In the past 3 years, James Allchurch has been a director of:</p> <p>Winchester Energy Limited – (Non-Executive Director – appointed 1 April 2020)</p> <p>PepinNini Lithium Limited – (Non-Executive Director - appointed 1 July 2019; resigned 11 November 2019).</p>
Ben Phillips	—	Non-Executive Director (appointed 18 April 2018)

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Experience	—	<p>Mr Phillips has over 15 years' experience providing consultation for a broad spectrum of companies including Oil and Gas, Resources, MedTech and Defence. He has provided services to departments ranging from R&D through to product commercialisation and sales.</p> <p>Mr Phillips current role in corporate finance focuses on the structuring of 'funding and management' for small cap companies both private and public. Mr Phillips has been working at Ironside Capital since the company's incorporation having previously held a position at Merchant Corporate Finance.</p>
Interest in Shares and Options	—	<p>Beneficially held through Deep36 Pty Ltd – 1,000,000 Ordinary fully paid shares, 500,000 Unlisted options @ \$0.03 expiring 14 July 2022 escrowed for 24 months and 500,000 Unlisted options @ \$0.03 expiring 14 July 2022</p> <p>Beneficially held through Bob Alfred Pty Ltd – 2,310,500 Ordinary fully paid shares (1,710,500 escrowed 24 months from quotation) and 1,710,500 Unlisted options @ \$0.03 expiring 14 July 2022 escrowed for 24 months; 6,000,000 unlisted options @ \$0.03 expiring 28 November 2022.</p>
Directorships held in listed entities	—	Nil
Graham Durtanovich	—	Non-Executive Director (appointed 2 June 2017; ceased 26 September 2019)
Qualifications	—	<i>B.Ec, MBA, AppFin</i>
Experience	—	<p>Mr Durtanovich has extensive financial management experience from a large private enterprise with the construction industry, where he previously held the role of Chief Financial Officer and was responsible for the financial administration, strategic planning, risk analysis and Corporate Governance of the company.</p> <p>Mr Durtanovich holds a Bachelor of Economics, Graduate Diploma in Applied Finance and Investments from FINSIA and a Masters of Business Administration.</p>
Interest in Shares and Options	—	As at date of resignation: beneficially held through Connected Energy Solutions Pty Ltd 3,250,500 Ordinary fully paid shares escrowed 24 months from quotation and 3,250,500 Unlisted options @ \$0.03 expiring 14 July 2022 escrowed 24 months from quotation
Directorships held in listed entities	—	In the past 3 years, Graham Durtanovich has been a director of: Rafaella Resources Limited (resigned 24 th August 2019)
Peter Wall	—	Non-Executive Chairman (appointed 2 June 2017; ceased 5 August 2019)
Qualifications	—	<i>LLB BComm MAppFin FFin</i>
Experience	—	<p>Mr Wall is a corporate lawyer and has been a Partner at Steinepreis Paganin (Perth based corporate law firm) since July 2005. Mr Wall graduated from the University of Western Australia in 1998 with a Bachelor of Laws and Bachelor of Commerce (Finance). He has also completed a Masters of Applied Finance and Investment with FINSIA.</p> <p>Mr Wall has a wide range of experience in all forms of commercial and corporate law, with a particular focus on technology companies, resources (hard rock and oil/gas), equity capital markets and mergers and acquisitions. He also has significant experience in dealing in cross border transactions.</p>
Interest in Shares	—	<p>As at date of resignation: beneficially held through Pheakes Pty Ltd ATF Senate Trust 5,000,000 Ordinary Fully Paid Shares and 2,500,000 unlisted options @ \$0.03 expiring 14 July 2022. 2,805,000 Ordinary Fully Paid shares escrowed for 24 months from quotation and 4,055,000 unlisted options @ \$0.03 expiring 14 July 2022 escrowed for 24 months from quotation.</p> <p>Beneficially held through Peter Christopher Wall & Tanya-Lee Wall <Wall Family Super Fund> 2,500,000 Ordinary fully paid shares and 1,250,000 Unlisted Options @ \$0.03 expiring 14 July 2022.</p>

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Directorships held in listed entities

In the past 3 years, Peter Wall has been a director of:
Minbos Resources Ltd (Non-Executive Chairman - appointed 21 February 2014)
Myfiziq Limited (Non-Executive Chairman - appointed 25 May 2015)
MMJ Phytotech Ltd (Non-Executive Chairman - appointed 14 August 2014)
Transcendence Technologies Limited (Non-Executive Chairman - appointed 6 October 2015)
Sky and Space Global Ltd (Non-Executive Chairman- 27 October 2015, resigned December 2108)
Pursuit Minerals Ltd (Non-Executive Chairman – appointed 13 January 2016)
Argent Minerals Limited (Non-Executive Chairman-appointed 23 April 2018)

Company Secretary

Stephen Buckley

— Company Secretary (appointed 2 June 2017; resigned 1 February 2020)

Qualifications

— *GAICD*

Experience

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

Lloyd Flint

Company Secretary (appointed 1 February 2020)

Qualifications

BAcc, MBA, CAANZ, FINSIA

Experience

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

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DIRECTORS' REPORT (CONT)

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
Patrick Burke	4	4
James Allchurch	4	4
Ben Phillips	4	4
Peter Wall	-	-
Graham Durtanovich	1	1

Principal Activities

The principal activity of the Company during the financial year ended 30 June 2020 was the exploration and evaluation of mineral resources.

The Company was placed in administration on the 9 June 2016 and was dormant for the 2017, 2018 and 2019 financial years. On the 26th April 2019 a binding heads of agreement was signed with the shareholders of Focus Exploration Pty Ltd (Focus) to acquire 100% of the issued capital of Focus. Focus was a privately-owned exploration company that was created to identify and secure prospective exploration projects. Focus owns 100% of the Berinka Pine Creek Project which is situated on exploration licence (EL31710) in the Northern Territory. The acquisition of Focus was completed on 12 August 2019. The Company was reinstated to official quotation and commenced trading on 14th August 2019.

The Company commenced exploration activities during the year with regard to the evaluation of gold, base metal and other mineral opportunities at the Projects.

Operating Results

The consolidated loss of the group after providing for income tax amounted to \$788,931 (2019: Loss of \$547,107).

Dividends Paid or Recommended

No interim dividend (2019: Nil) was paid during the year. No final dividend is recommended by the Directors.

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Review of Operations

The 2020 financial year has been transformational for the Company as it successfully relisted on the Australian Stock Exchange (ASX) in August 2019 as resource explorer Mandrake Resources Limited (formerly Bronson Group Limited) following re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

The Company raised \$4,527,838 pursuant to the offer under its replacement prospectus dated 21 May 2019 by the issue of 226,391,900 shares at an issue price of \$0.02 per share and 113,195,950 attaching options exercisable at \$0.03 per option on or before 14 July 2022.

Through its wholly owned subsidiary Focus Exploration Pty Ltd (Focus), the Company owns 100% of the Berinka Pine Creek Project which is situated on exploration licence (EL31710) and, in April 2020, entered into a farm-in agreement with Andean Energy Resources Pty Ltd (AER) to farm in to exploration licence application (ELA) 70/5345 (Jimperding Project), in the Jimperding Metamorphic Belt located 70km north east of Perth, Western Australia.

Berinka Pine Creek Gold Project

The Berinka gold exploration project is located within the Pine Creek Orogen of the Northern Territory, located 220km south southwest of Darwin.

Gold mineralisation at the project is associated with >10km strike of poorly tested structurally controlled Berinka Volcanics of the Proterozoic Pine Creek Orogen. Previous reverse circulation (RC) drilling has intersected gold mineralisation associated with sulphide rich veins and is open at depth and along strike at the Terrys prospect with a best intersection of 4m @ 6.56g/t from 32m (TRP-018). A complete list of all historic drill intercepts is contained in the Mandrake Resources prospectus dated 21 May 2019.

Investigations into previous exploration work conducted at the project revealed the existence of 4 diamond drill holes (ZK1701, ZK1702, ZK7801 and ZK8801) drilled by China Australia Land Resources which had not been submitted for assay. The NQ2 diamond core totaled approximately 1,161m with zones prospective for mineralisation of approximately 189m submitted for assay and results used to further develop the exploration model at Berinka.

Four detailed site visits (two helicopter-borne) were undertaken at the Berinka Project in FY2020 targeting a host of prospects across the entire EL including Terrys Prospect, the Vegetation Anomaly (identified by Carpentaria Exploration Company (CEC) in the mid-1980s), Bubbles Creek, RGC Creek, Specky Creek, Silver Streak and Sandy Creek. The primary objectives were to establish access and conduct geological mapping and rock chip sampling to rank prospects and determine drill targets.

In March 2020 Mandrake identified several prospects (including Vegetation Anomaly, Terry's Gap and Sandy Creek) worthy of drill testing for gold mineralisation and submitted a Mine Management Plan (MMP) (drill permit application) to the Northern Territory government which was subsequently approved in late June 2020.

An RC drill programme was undertaken in August 2020 with results pending.

Jimperding Project (earning-in)

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

The terms of the farm-in agreement to ELA 70/5345 with AER are detailed below:

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

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

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

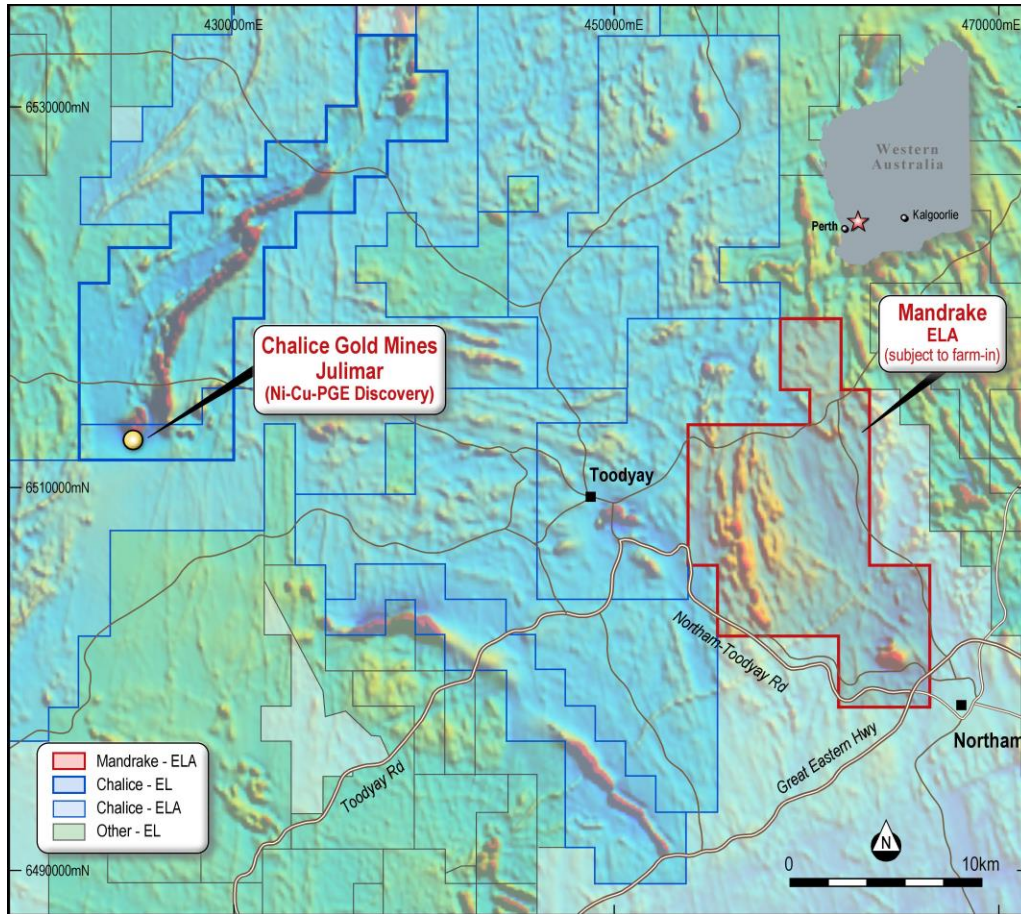


Figure 2 - Regional Aeromagnetics – Jimperding Project

Regional work conducted by Harrison (1986) suggested that some of the mafic/ultramafic bodies in the terrane may be remnants of larger layered intrusives and thus targets for platinum group element (PGEs)¹. The recent Julimar discovery in the area appears to validate this assessment.

A distinct bullseye total magnetic intensity anomaly was identified at the Newleyine Prospect from aeromagnetic data corresponding with confirmed ultramafic layered intrusive units and banded iron formation (BIF).

A ground magnetic survey conducted in 2016 was re-processed by Mandrake which demonstrated the distinct internal character of the magnetic anomaly at Newleyine. Rather than a homogenous ovoid-shaped magnetic anomaly, Newleyine appears to comprise a series of magnetic high lenses and potential structural offsets. These internal features are encouraging as they may be attributable to layering in the BIF and/or magmatic differentiation in the ultramafic intrusive(s), structural features and localized weathering.

Concentrations of platinum and palladium in rock chip samples collected from two field mapping events (96 samples in total) have exceeded expectations with rock chip samples up to 0.36g/t Pd and 0.27g/t Pt confirming the ultramafic intrusive at Newleyine is highly fertile for PGEs. This is an exciting development for the Company and has elevated Newleyine’s prospectivity for PGEs.

The eastern paddock area to the east and north east of the vegetated laterite hill is underlain by a series of distinct magnetic highs as outlined by a recent ground magnetic survey. Ultramafic float, sub-crop and limited outcrop was observed during recent sampling with results confirming the presence of Ni-Cu-PGE mineralisation coinciding with magnetic highs.

In August 2020 a detailed Fixed Loop Electromagnetic Survey (FLEM) was completed at Newleyine which successfully identified three high conductivity anomalies across the Newleyine Prospect that may be representative of bedrock massive sulphide bodies - drill testing for Julimar-style PGE-Ni-Cu mineralisation is now planned.

¹ Harrison, P.H (1986), Professional Papers for 1984. Rep 19. Geol Survey of WA.

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Financial Position

The net assets/(deficiency) of the Company at 30 June 2020 was \$3,853,267 (2019: \$(489,586)).

Significant Changes in State of Affairs

The Company was reinstated to official quotation and commenced trading on 14th August 2019, following re-compliance with Chapters 1 and 2 of the ASX Listing Rules. The Company raised \$4,527,838 before costs pursuant to the offer under its replacement prospectus dated 21 May 2019 by the issue of 226,391,900 shares at an issue price of \$0.02 per share and 113,195,950 attaching options exercisable at \$0.03 per option on or before 14 July 2022. 12,500,000 shares were issued to the vendors of Focus to settle the acquisition.

On reinstatement, a further 11,000,000 shares were issued on conversion of the \$220,000 of convertible notes along with 11,000,000 attaching options exercisable at \$0.03 per option on or before 14 July 2022. 13,200,727 ordinary fully paid shares along with 13,200,727 attaching options exercisable at \$0.03 per option on or before 14 July 2022 were issued to creditors in lieu of cash.

Peter Wall resigned as Non-Executive Chairman on the 5th August 2019 following the appointments of James Allchurch as Managing Director and Pat Burke as Non-Executive Chairman on the 4th August 2019. Graham Durtanovich resigned on 26 September 2019.

24,000,000 options were approved in the annual general meeting for issue to directors. The options are exercisable at \$0.03 and expire on 28 November 2022.

Notices to exercise for 125,000 attaching options exercisable at \$0.03 per option on or before 14 July 2022 were received during the year and 125,000 shares were issued accordingly.

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 21,300,000 options exercisable at \$0.03 per option were received and 21,300,000 shares were issued accordingly raising \$639,000 before costs for the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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DIRECTORS' REPORT (CONT)

Share Options

Unissued shares under option

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

Grant Date	Expiry Date	Exercise Price	Number of shares under option
14 July 2017 & 30 November 2017	14 July 2021	\$0.40	3,000,001
14 July 2019	14 July 2022	\$0.03	161,250,077
28 November 2019	28 November 2022	\$0.03	24,000,000

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 12 June 2020, 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.

	2020 \$	2019 \$
Non-audit services		
– Tax returns	12,465	9,864
– Relisting services	3,840	18,690
– Other	2,308	-
	18,613	28,554

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 15.

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REMUNERATION REPORT (AUDITED)

The remuneration report is presented under the following sections:

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

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

Pat Burke – Non-Executive Chairman (appointed 4 August 2019)
Graham Durtanovich – Non-Executive Director (appointed 2 June 2017; ceased 26 September 2019)
Ben Phillips – Non-Executive Director (appointed 18 April 2018)
James Allchurch – Managing Director (appointed 4 August 2019)
Peter Wall – Non-Executive Chairman (appointed 2 June 2017, ceased 5 August 2019)

1. Introduction

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

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

Capital management.

2. Remuneration governance

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

3. Executive remuneration arrangements

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

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

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REMUNERATION REPORT (AUDITED) (CONT)

4. Non-executive director fee arrangements

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

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

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

5. Details of Remuneration

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

30 June 2020	Short Term Salary, Fees & Commissions	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration ⁶
	\$	\$	\$	\$	\$	%
Patrick Burke ¹	45,742	-	-	52,740	98,482	53.5%
James Allchurch ²	197,976	-	-	105,480	303,456	34.8%
Ben Phillips ³	45,000	-	-	52,740	97,740	54.0%
Peter Wall ⁴	12,000	-	-	-	12,000	-
Graham Durtanovich ⁵	18,000	-	-	-	18,000	-
Total	318,718	-	-	210,960	529,678	37.5%

¹ Appointed 4 August 2019. June 2020 fees of \$5,000 are payable as at 30 June 2020.

² Appointed 4 August 2019. Includes May and June 2019 fees of \$21,900. June 2020 fees of \$20,148 payable as at 30 June 2020. Director fees are paid to Stoped Pty Ltd, a company controlled by Mr Allchurch.

³ Includes April to June 2019 fees of \$9,000. June 2020 fees of \$3,000 are payable as at 30 June 2020. Bob Alfred Pty Ltd ATF the Bob Alfred Trust (an entity controlled by Mr Phillips)

⁴ Resigned 5 August 2019.

⁵ Resigned 26 September 2019.

⁶ Options issued to directors that vested on grant. The options are exercisable at \$0.03 per shares on or before 28 November 2022.

30 June 2019	Short Term Salary, Fees & Commissions ⁶	Post Employment Superannuation	Other/ Bonus	Share-based payments	Total	Performance based remuneration
	\$	\$	\$	\$	\$	%
Non-Executive Directors						
Peter Wall	36,000	-	-	-	36,000	-
Graham Durtanovich	36,000	-	-	-	36,000	-
Ben Phillips	36,000	-	-	-	36,000	-
Total	108,000	-	-	-	108,000	-

⁶ As at 30 June 2019 the entirety of fees was accrued and not yet paid.

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REMUNERATION REPORT (AUDITED) (CONT)

6. Additional disclosures relating to options and shares

KMP Options and Rights Holdings

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

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

	Balance at the start of the year	Issued as part of debt conversion	Granted as Compensation and Exercisable	Options Expired	Other changes during the year ¹	Balance at end of Year
30 June 2020						
Patrick Burke	-	-	6,000,000	-	-	6,000,000
James Allchurch	-	-	12,000,000	-	-	12,000,000
Ben Phillips	-	2,710,500	6,000,000	-	-	8,710,500
Peter Wall	-	7,805,000	-	-	(7,805,000)	-
Graham Durtanovich	-	3,250,500	-	-	(3,250,000)	-
Total	-	13,766,000	24,000,000	-	(11,055,000)	26,710,500

¹ Held at date of 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:

	Balance at the start of the year	Shares Purchased	Granted as Compensation	Other changed during the year	At resignation	Balance at end of Year
30 June 2020						
Patrick Burke	-	940,000	-	-	-	940,000
James Allchurch	-	-	-	2,500,000 ¹	-	2,500,000
Ben Phillips	-	600,000	-	2,710,500 ²	-	3,310,500
Peter Wall	-	-	-	10,305,000 ³	(10,305,000)	-
Graham Durtanovich	-	-	-	3,250,500 ⁴	(3,250,500)	-
Total	-	1,540,000	-	18,766,000	(13,555,500)	6,750,500

¹ Vendor shares issued pursuant to purchase of Focus Exploration Pty Ltd

² 1,000,000 shares on conversion of convertible notes and 1,710,500 shares in lieu of amounts owing (with attaching options).

³ 2,500,000 shares issued on conversion of convertible notes and 7,805,000 shares issued in lieu of amounts owing (both with attaching options). Peter Wall resigned on 5 August 2019

⁴ 3,250,500 shares and attaching options issued lieu of amounts due and payable. Graham Durtanovich resigned on 26 September 2019.

7. Loans to KMP and their related parties

There were no loans to KMP and the related parties during the financial year (2019: nil).

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REMUNERATION REPORT (AUDITED) (CONT)

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

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

- Steinepreis Paganin, an entity associated with Mr Peter Wall, had liabilities of \$222,909 settled during the year via shares, options and cash and discounts given to the Company. Steinepreis Paganin invoiced the Company \$37,350 including GST during the year (2019: invoiced \$172,271 (incl GST)) in relation to legal services provided to the Company. \$5,603 (incl GST) remains owing at 30 June 2020 (2019: \$222,909 (including GST)).
- Pheakes Pty Ltd, a company controlled by Mr Peter Wall, had liabilities of \$69,300 (incl. GST) settled by cash and the issue of securities during the year. Director's fees of \$6,600 (incl. GST) were paid to Pheakes Pty Ltd during the year. Nil was owing at year end (2019; \$69,300 (incl. GST)).
- Chaperon Corporate, an entity associated with Graham Durtanovich, had liabilities of \$58,399 (incl. GST) settled by cash and the issue of securities during the year. Director fees of \$9,900 (including GST) were paid during the year and \$26,702 (incl GST) were paid to Chaperone Corporate for accounting work. Nil remains owing at year end (2019: \$58,399 (incl GST)).
- Ironside Capital was engaged as Corporate Advisor on 23 April 2019 received \$123,907 (incl GST) (2019: \$nil) for pre and post re-quotation corporate advisory fees. Ben Phillips is employed by Ironside Capital. The Ironside Capital mandate terminated in May 2020.

James Allchurch is one of the Focus Shareholders and received 2,500,000 consideration shares pursuant to the acquisition of Focus Exploration Pty Ltd.

Connected Energy Solutions, and entity associated with Graham Durtanovich was issued 3,250,500 shares and 3,250,000 attaching options in lieu of debts owed to Chaperon Corporate, an entity also associated with Mr Durtanovich.

Ben Phillips participated in a Convertible Loan Agreement with the Company to the value of \$20,000. The Convertible Note Agreement converted on the basis of one share and one attaching option for every \$0.02 invested with the attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022. On conversion, 1,000,000 Shares and 1,000,000 options were issued to Deep36 Pty Ltd ATF Deep Super (an entity controlled by Mr Phillips). 1,710,500 shares and 1,710,500 options were issued to Bob Alfred Pty Ltd ATF the Bob Alfred Trust (an entity controlled by Mr Phillips) in lieu of debts owed to Mr Phillips by the Company. Ironside Capital Pty Ltd, an entity associated with Ben Phillips, had a corporate mandate for monthly services at \$7,700 (incl GST) which terminated in May 2020.

7,805,000 shares and 5,305,000 options were issued to Pheakes Pty Ltd and the Wall Family superannuation fund, both entities controlled by Mr Wall, on re-compliance by the Company and in lieu of debts owed to Mr Wall. In May 2019 Peter Wall participated through a Convertible Loan Agreement for \$50,000. The Convertible Note Agreement converted on the basis of one share and one attaching option for every \$0.02 invested with the attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022. On conversion, 1,000,000 Shares and 1,000,000 options were issued to Pheakes Pty Ltd.

In addition to the above, refer to Note 10c. for details of options granted to Directors.

9. Service agreements

The Company has 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:

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REMUNERATION REPORT (AUDITED) (CONT)

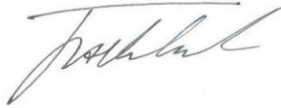
	Patrick Burke	Ben Phillips
Term	n/a	n/a
Remuneration	\$5,000 per month	\$3,000 per month
Termination benefits	n/a	n/a

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

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 25 September 2020

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 2020, I declare that, to the best of my knowledge and belief, there have been:

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

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



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 25 September 2020

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Group	
		30.06.2020	30.06.2019
		\$	\$
Interest Received	2	40,394	14
Administration expenses		(173,474)	(239,500)
Consultancy Fees		(85,935)	-
Debt extinguishment	10.c	(153,920)	-
Director Fees and employee costs		(122,742)	(108,000)
Travel expenses		(1,092)	(1,498)
Occupancy expenses		(20,865)	-
Legal compliance and professional fees		(60,336)	(198,122)
Share based payments	10.c	(210,960)	-
(Loss) before income tax		(788,931)	(547,107)
Income tax benefit/(expense)	3	-	-
(Loss) for the year		(788,931)	(547,107)
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(788,931)	(547,107)
Earnings per share			
Basic (loss) per share	5	(0.003)	(0.168)
Diluted (loss) per share	5	N/A	N/A

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

Mandrake Resources Limited ABN 60 006 569 124

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

	Note	Consolidated Group	
		30.06.20	30.06.19
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	6	3,305,851	84,115
Other receivables	7	69,318	77,854
TOTAL CURRENT ASSETS		3,375,169	161,969
NON- CURRENT ASSETS			
Exploration and Evaluation expenditure	8	593,375	-
TOTAL NON- CURRENT ASSETS		593,375	-
TOTAL ASSETS		3,968,544	161,969
CURRENT LIABILITIES			
Trade and other payables	9	115,277	651,556
TOTAL CURRENT LIABILITIES		115,277	651,556
TOTAL LIABILITIES		115,277	651,556
NET ASSETS/(LIABILITIES)		3,853,267	(489,586)
EQUITY			
Ordinary Share Capital	10	17,470,027	13,011,070
Convertible Loan Note Reserve	10	-	220,000
Option Reserve	10	893,112	285
Accumulated (Losses)		(14,509,872)	(13,720,941)
TOTAL EQUITY/(DEFFICIENCY)		3,853,267	(489,586)

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

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Ordinary Share Capital	Convertible Loan Note Reserve	Option Reserve	Accumulated (Losses)	Total Equity
	\$	\$	\$	\$	\$
Consolidated Group					
Balance at 1.7.2018	13,011,070	-	285	(13,173,835)	(162,479)
Loss for the year	-	-	-	(547,107)	(547,107)
Transactions with owners in their capacity as owners					
Issue of Convertible Notes	-	220,000	-	-	220,000
Balance at 30.6.2019	13,011,070	220,000	285	(13,720,942)	(489,586)
Balance at 1.7.2019	13,011,070	220,000	285	(13,720,942)	(489,586)
Loss for the year	-	-	-	(788,931)	(788,931)
Transactions with owners in their capacity as owners					
Shares issued during the year	5,265,603	(220,000)	-	-	5,045,603
Share Issue Expenses	(806,646)	-	-	-	(806,646)
Option Reserve	-	-	892,827	-	892,827
Balance at 30.06.2020	17,470,027	-	893,112	(14,509,872)	3,853,267

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

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Consolidated Group	
		30.06.2020	30.06.2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(728,171)	(186,233)
Interest received		40,394	14
Net cash (outflow) inflow from operating activities	14	(687,777)	(186,219)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquired through acquisition of Focus Exploration Pty Ltd	11	100	
Exploration and evaluation expenditure	9	(343,475)	-
Net cash (outflow) inflow from investing activities		(343,375)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	10	4,531,588	-
Payment of share issue cost	10	(278,700)	-
Issue of Convertible Notes		-	220,000
Net cash inflow from financing activities		4,252,888	220,000
Net increase in cash held		3,221,736	33,781
Cash at beginning of year		84,115	50,334
Cash and cash equivalents carried forward	6	3,305,851	84,115

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

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NOTES TO FINANCIAL REPORT FOR THE YEAR ENDED 30 June 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial report was authorised for issue on 25 September 2020 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.

On the 12th August 2019 Mandrake Resources Limited was reinstated to official quotation post the raise of \$4,527,838 being completed.

The net loss after income tax for the consolidated entity for the financial year ended 30 June 2020 was \$788,931, and as at 30 June 2020, total assets exceeded total liabilities by \$3,853,267. Cash and cash equivalents was \$3,305,851.

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.

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

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

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

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

Tax Consolidation

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

d. Impairment of Assets

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

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

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

e. Cash and Cash Equivalents

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

f. Revenue

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

g. Trade and Other Receivables

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

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

h. Trade and Other Payables

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

i. Goods and Services Tax (GST)

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

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

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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) , whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of Directors.

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

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

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

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

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

k. Borrowings

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

l. Comparative Figures

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

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

m. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

n. Contributed Equity

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

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o. **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.

p. **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 or options over shares ("equity-settled transactions").

The fair value of options is 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 is determined using a Black-Scholes option pricing model. 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").

q. **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.

r. **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.

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.

Convertible notes

In May 2019 the issue of Convertible Notes to the value of \$220,000 occurred. As these Convertible Notes were issued with the expectation of converting to equity, they were treated as equity within the accounts in 2019. During the current year, they were converted, as noted in Note 10.

Acquisition of Focus Exploration Pty Ltd

As described in Note 11 below, during the year, the parent company acquired Focus Exploration Pty Ltd for 12,500,000 shares. This transaction has been accounted for as an asset acquisition, not a Business Combination. In these circumstances, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction, and no goodwill will arise on the transaction.

In determining whether an acquisition is a business combination or an asset acquisition, management apply significant judgement to assess whether the net assets acquired constitute a "business" in accordance with AASB 3. Under that standard, a business is an integrated set of activities and assets that is capable of being conducted or managed for the

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purpose of providing a return, and necessarily consists of inputs, processes, which when applied to those inputs, have the ability to create outputs.

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.

Changes in accounting policies

This note explains the impact of the adoption of AASB 16 *Leases* on the group's financial statements and also discloses the new accounting policies that have been applied from 1 July 2019, where they are different to those applied in prior periods.

AASB 16 Leases

The Group has adopted AASB 16 *Leases* from 1 July 2019, under the modified retrospective method which resulted in changes to accounting policies. Adjustments to the amounts have been recognised in the financial statements.

AASB 16 Leases – Accounting policies

Group has reviewed contracts to assess whether the contract is or contains a lease.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liabilities are measured at amortised cost using the effective interest method. They are re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimates of the amount expected to be payable under residual value guarantees, or if the Group changes any assessment of whether it will exercise extension options.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of offices that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

Accounting Policies issued not yet effective

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

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2020
\$

2019
\$

NOTE 2: REVENUE AND OTHER INCOME

Revenue

Interest received or due and receivable from other persons	40,394	14
	40,394	14

2020
\$

2019
\$

NOTE 3: OPERATING (LOSS)

(Loss) before income tax expense includes the following expenses

Audit and Accounting	54,676	76,734
Financial expenses	-	216
Legal compliance and professional fees	60,336	198,122
Travel	1,092	1,498

NOTE 3: INCOME TAX EXPENSE

2020
\$

2019
\$

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)	(216,956)	(150,454)
Deferred tax assets not recognised (temporary)	-	-
	(216,956)	(150,454)

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	(788,931)	(547,107)
Prima facie tax payable on (profit) from ordinary activities before income tax at 27.5% (2019: 27.5%)	(216,956)	(150,454)

Add:

Tax effect of:

— Other non-allowable items	990	29
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Less:

Tax effect of:

— Utilisation of deferred tax assets previously not recognised	-	-
— Deferred tax assets not recognised (losses)	217,496	150,425
— Deferred tax assets not recognised (temporary)	-	-
Income tax expense/(benefit)	-	-

NOTE 4: DIVIDENDS

No dividends have been paid during the financial year (2019: nil)

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	2020	2019
Net (loss) used in the calculation of basic EPS	\$ (788,931)	(547,107)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	No. 235,442,991	64,971,877 ¹
Basic (loss) per share	\$ (0.003)	(0.168)

For the year ended 30 June 2020, diluted earnings per share was not disclosed because potential ordinary shares, being options granted, are not dilutive and their conversion to ordinary shares would not demonstrate an inferior view of the earnings performance of the Company.

¹ Note that this is the balance of shares pre-share consolidation.

NOTE 6: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	3,305,851	84,115
	<u>3,305,851</u>	<u>84,115</u>

NOTE 7: OTHER RECEIVABLES

	2020	2019
	\$	\$
CURRENT		
Other receivables	45,886	77,854
Deposits	23,432	-
	<u>69,318</u>	<u>77,854</u>

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

NOTE 8: EXPLORATION AND EVALUATION EXPENDITURE

	2020	2019
	\$	\$
Opening balance	-	-
Shares issued to acquire Focus Exploration Pty Ltd	249,900	-
Exploration and evaluation expenditure	343,475	-
	<u>593,375</u>	<u>-</u>

NOTE 9: TRADE AND OTHER PAYABLES

CURRENT		
Trade payables and other payables	115,277	651,556
	<u>115,277</u>	<u>651,556</u>

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NOTE 10: CONTRIBUTED EQUITY

a. Share Capital	2020	2020	2019	2019
	\$	No.	\$	No.
Ordinary fully paid shares	17,470,027	266,341,510	13,011,070	3,248,594
Movement in ordinary shares on issue			\$	No.
Balance at 1 July	13,011,070	3,248,883	13,011,070	64,971,877
Consolidation on 12 June 2019				(61,723,283)
Rounding				289
Re-compliance	4,527,838	226,391,900	-	-
Conversion of converting loan notes	220,000	11,000,000	-	-
Conversion of debt	264,015	13,200,727	-	-
Issue for acquisition of Focus Exploration Pty Ltd	250,000	12,500,000	-	-
Conversion of options	3,750	125,000	-	-
Share Issue Costs	(806,646)	-	(27,000)	-
Balance at 30 June 2020	17,470,027	266,466,510	13,011,070	3,248,883

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. On 12th June 2019 a 1 for 20 consolidation was completed.

b. Convertible Loan Note Reserve	2020	2019
	\$	\$
Opening balance	220,000	-
Issued during the year	-	220,000
Conversion	(220,000)	-
Closing balance	-	220,000

During the 2019 year, the Company entered into converting loan agreements with various lenders, for a total of \$220,000. The loans were interest free and unsecured.

The loan notes converted into 11,000,000 shares and 11,000,000 options prior to re-quotations on 14 August 2019.

c. Option Reserve	30.6.2020		30.6.2019	
	\$	Number	\$	Number
Period opening balance	285	3,000,001	285	60,000,000
Consolidation 12/6/19			-	(56,999,999)
Converting loan options	-	11,000,000	-	-
Debt extinguishment	153,921	13,200,727	-	-
Capital raising	-	113,195,950	-	-
Broker options	527,946	45,278,400	-	-
Director options	210,960	24,000,000	-	-
	893,112	209,675,078	285	3,000,001

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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 the end of the year
Existing ¹	14/07/17	14/07/21	2,250,001	-	0.400	-	-	2,250,001	2,250,001
Existing ¹	30/11/17	14/07/21	750,000	-	0.400	-	-	750,000	750,000
Converting loans	4/06/19	14/07/22	-	11,000,000	0.030	-	-	11,000,000	11,000,000
Debt extinguishment	12/08/19	14/07/22	-	13,200,727	0.030	-	-	13,200,727	13,200,727
Capital raising	12/08/19	14/07/22	-	113,195,950	0.030	(125,000)	-	113,070,950	113,070,950
Broker	12/08/19	14/07/22	-	45,278,400	0.030	-	-	45,278,400	45,278,400
Directors	28/11/19	28/11/22	-	24,000,000	0.030	-	-	24,000,000	24,000,000
			3,000,001	206,675,077		(125,000)	-	209,550,078	209,550,078

¹ As a result of the consolidation on 12 June 2019, the previous number of options on issue (60,000,000) consolidated to 3,000,001, and the exercise price increased, from \$0.02 to \$0.40.

Subsequent to 30 June 2019, an additional 206,675,077 options were issued, with an exercise price of \$0.03 per option.

The fair value of the options issued was calculated using Black-Scholes modelling. A fair value of 1.166c and 0.879c respectively for re-compliance and director's options were calculated. The following inputs were used in the calculation:

	Options issued on re-compliance	Directors options
Valuation date (equal to grant date under AASB 2)	12 August 2019	28 November 2019
Exercise price	3 cents	3 cents
Expiration date	14 July 2020	28 November 2022
Share price at valuation date	\$0.020	\$0.016
Risk free rate of interest	0.7% p.a.	0.62% p.a.
Company share price volatility	110% p.a.	110% p.a.
Fair value	\$0.01166	\$0.00879

The value recognised on issue of options is as follows:

Name	Quantity	AUD\$
Re-compliance options		
Broker options	45,278,400	527,946
Debts to equity options	13,200,727	153,920
Total	58,479,127	681,867
Directors options		
James Allchurch	12,000,000	105,480
Patrick Burke	6,000,000	52,740
Ben Phillips	6,000,000	52,740
Total	24,000,000	210,960

The Broker options were considered to be capital raising costs, the value recorded was deducted against share capital. The debt-to-equity options were (along with 13,200,727 ordinary shares) issued to creditors to extinguish certain liabilities, and the excess of the fair value of the shares and options issued to the book value of the liabilities extinguished was expensed to profit and loss. The options issued to Directors were expensed in accordance with AASB 2.

The options that attached to the shares issued as part of the capital raising, and the options that attached to the conversion of the convertible note, have been treated as freely attaching to the underlying issue of ordinary shares, and therefore have not been assigned any additional value.

All the options above vested on grant of the respective options.

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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: ACQUISITION OF FOCUS EXPLORATION PTY LTD

Summary of acquisition

During the period, Mandrake Resources Ltd acquired 100% of the issued share capital of Focus Exploration Pty Ltd (Focus) by way of the issue of 12,500,000 Mandrake shares to the shareholders of Focus at a fair value of \$0.02 per share. Focus is a Proprietary limited company which holds the Berinka Project in the Northern Territory.

The assets and liabilities recognised as a result of the acquisition are as follows:

Fair value	\$
Cash	100
Exploration and evaluation expenditure	249,900
Trade and other payables	-
Fair Value of the Net Assets acquired	250,000

The Company gained control of Focus on 12 August 2019 with a shareholding of 100% pursuant to the completion of the re-compliance work articulated in the Prospectus dated 21 May 2019.

Total cash outflows relating to the acquisition of Focus was nil. The purchase of Focus shares was funded entirely by the issue of Mandrake shares. Cash received on the acquisition of Focus was \$100, resulting in a net cash inflow in investing activities in the statement of cash flows of \$100. The only liabilities originally sitting in that company were Director's loans, which had been forgiven in full prior to the acquisition.

NOTE 12: COMMITMENTS AND CONTINGENCIES

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

NOTE 13: EVENTS SUBSEQUENT TO BALANCE DATE

Notices to exercise 21,300,000 options exercisable at \$0.03 per option were received and 21,300,000 shares were issued accordingly raising \$639,000 before costs for the Company.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not significantly impacted the entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

NOTE 14: CASH FLOW INFORMATION

Reconciliation of profit/(loss) after income tax expense to net cash used in operating activities

	2020	2019
	\$	\$
Loss for the year	(788,931)	(547,107)
Non-cash items recorded in Profit and Loss:		
Debt extinguishment	153,920	-
Share-based payments	210,960	-
Changes in working capital balances		
Trade and other receivables	8,537	(57,309)
Trade and other payables	(272,264)	418,197
	(687,777)	(186,219)

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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:

- Steinepreis Paganin, an entity associated with Mr Peter Wall, had liabilities of \$222,909 settled during the year via shares, options and cash and discounts given to the Company. Steinepreis Paganin invoiced the Company \$37,350 including GST during the year (2019: invoiced \$172,271 (incl GST)) in relation to legal services provided to the Company. \$5,603 (incl GST) remains owing at 30 June 2020 (2019: \$222,909 (including GST)).
- Pheakes Pty Ltd, a company controlled by Mr Peter Wall, had liabilities of \$69,300 (incl. GST settled by cash and the issue of securities during the year. Director's fees of \$6,600 (incl. GST) were paid to Pheakes Pty Ltd during the year. Nil was owing at year end (2019; \$69,300 (incl. GST)).
- Chaperon Corporate, an entity associated with Graham Durtanovich, had liabilities of \$58,399 (incl. GST) s settled by cash and the issue of securities during the year. Director fees of \$9,900 (including GST) were paid during the year and \$26,702 including GST were paid to Chaperone Corporate for accounting work. Nil remains owing at year end (2019: \$58,399 including GST).
- Ironside Capital was engaged as Corporate Advisor on 23 April 2019 received \$123,907 (incl GST) (2019: \$nil) for pre and post re-quotations corporate advisory fees. Ben Phillips is employed by Ironside Capital. The Ironside Capital mandate terminated in May 2020.

James Allchurch is one of the Focus Shareholders and received 2,500,000 consideration shares pursuant to the acquisition of Focus Exploration Pty Ltd.

Connected Energy Solutions, and entity associated with Graham Durtanovich was issued 3,250,500 shares and 3,250,000 attaching options in lieu of debts owed to Chaperon Corporate, an entity also associated with Mr Durtanovich.

Ben Phillips participated in a Convertible Loan Agreement with the Company to the value of \$20,000. The Convertible Note Agreement converted on the basis of one share and one attaching option for every \$0.02 invested with the attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022. On conversion, 1,000,000 Shares and 1,000,000 options were issued to Deep36 Pty Ltd ATF Deep Super, (an entity controlled by Mr Phillips). 1,710,500 shares and 1,710,500 options were issued to Bob Alfred Pty Ltd ATF the Bob Alfred Trust (an entity controlled by Mr Phillips) in lieu of debts owed to Mr Phillips by the Company. Ironside Capital Pty Ltd, an entity associated with Ben Phillips, has a corporate mandate for monthly services at \$7,700 (incl GST).

7,805,000 shares and 5,305,000 options were issued to Pheakes Pty Ltd and the Wall Family superannuation fund, both entities controlled by Mr Wall, on re-compliance by the Company and in lieu of debts owed to Mr Wall. In May 2019 Peter Wall participated through a Convertible Loan Agreement for \$50,000. The Convertible Note Agreement converted on the basis of one share and one attaching option for every \$0.02 invested with the attaching option having a strike price of \$0.03 and an expiry date of 14 July 2022. On conversion, 1,000,000 Shares and 1,000,000 options were issued to Pheakes Pty Ltd. There were no other transactions with KMP and their related parties other than what is disclosed above and Note 16.

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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 2020.

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

	2020	2019
	\$	\$
Short-term employee benefits	318,718	108,000
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	210,960	-
Total KMP compensation	529,678	108,000

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

24,000,000 options were approved at the 2019 Annual General Meeting. Further information on the options are detailed in note 10c. above.

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

NOTE 17: AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor for:		
– auditing or reviewing the financial statements – BDO Audit (WA) Pty Ltd	61,654	37,591
Remuneration of the auditor for non-assurance services:		
– Tax returns	12,465	9,864
– Relisting services	3,840	18,690
– Other	2,308	-
	80,266	66,145

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:

	2020	2019
	\$	\$
Financial Assets		
Cash and cash equivalents – interest bearing	3,305,851	84,115

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Sensitivity

At 30 June 2020, if interest rates had increased by 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 \$8,265 higher (2019: changes of 0.5% \$421 higher). The 0.25% (2019: 0.5%) sensitivity is based on reasonably possible changes over a financial year, using an observed range of historical RBA movements over the last year.

Liquidity Risk

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

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.

	2020	2019
	\$	\$
Financial position of the parent entity at year end		
Current assets	3,440,553	161,969
Non-current assets	593,475	-
Total assets	4,034,028	161,969
Current Liabilities	180,761	651,556
Total liabilities	180,761	651,556
Total equity of the parent entity comprising of:		
Share capital	17,470,027	13,011,070
Reserves	893,112	220,285
Accumulated losses	(14,509,872)	(13,720,941)
Total equity	3,853,267	(489,586)
 Statement of Profit or Loss and Other Comprehensive Income		
Total Profit/(loss)	(788,931)	(547,107)
Total comprehensive loss	(788,931)	(547,107)

COMMITMENTS AND CONTINGENCIES

Mandrake Resources Limited does not have any commitments and contingent assets and liabilities at 30 June 2020.

NOTE 20: CONTROLLED ENTITIES

Focus Exploration Pty Ltd was acquired during the financial year and is 100% owned (refer note 11).

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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.

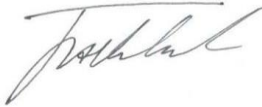
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DIRECTORS' DECLARATION

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 financial statements 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 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 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 25 September 2020

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 subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 2020 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.

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 asset

Key audit matter	How the matter was addressed in our audit
<p>The carrying value of the capitalised exploration and evaluation asset as at 30 June 2020 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>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <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"> • 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; • 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; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether there are any other facts or circumstances existing to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 8 to the financial report.

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 2020, 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

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 on pages 11 to 15 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Mandrake Resources Limited, for the year ended 30 June 2020, 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 Pty Ltd



Jarrad Prue

Director

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ASX ADDITIONAL INFORMATION

The shareholder information set out below was applicable as at 13 September 2020.

As at 13 September 2020 there were 1,376 holders of Ordinary Fully Paid Shares

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

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

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

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest shareholders as at 13 September 2020 are as follows:

Ordinary Fully Paid Shares

Holder Name	Holding	% IC
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	31,465,095	10.93%
BELLARINE GOLD PTY LTD <RIBBLESDALE SUPER FUND A/C>	17,197,853	5.98%
MR ALASTAIR CARDNO	8,073,984	2.81%
GREENSEA INVESTMENTS PTY LTD	7,000,000	2.43%
PHEAKES PTY LTD <SENATE A/C>	5,305,000	1.84%
MELBOR PTY LTD <RJW FAMILY A/C>	5,000,000	1.74%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,900,000	1.70%
DR SALIM CASSIM	4,500,000	1.56%
BLUEKNIGHT CORPORATION PTY LTD	4,340,227	1.51%
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	4,000,000	1.39%
ONGAVA PTY LTD <PRH SUPER FUND A/C>	3,700,000	1.29%
CONNECTED ENERGY SOLUTIONS PTY LTD	3,250,500	1.13%
BEDEL & SOWA CORP PTY LTD	3,000,000	1.04%
MARTINI 29 PTY LTD	3,000,000	1.04%
SCINTILLA STRATEGIC INVESTMENTS LIMITED	3,000,000	1.04%
JAMES PETER ALLCHURCH	2,500,000	0.87%
MR RYAN JOHN RAY VITALI & MRS HOLLY DIANA VITALI <SAVITAL A/C>	2,500,000	0.87%
PURESTEEL HOLDINGS PTY LTD <RATTIGAN SUPER FUND A/C>	2,500,000	0.87%
MR PETER CHRISTOPHER WALL & MRS TANYA-LEE WALL <WALL FAMILY SUPER A/C>	2,500,000	0.87%
PHEAKES PTY LTD <SENATE A/C>	2,500,000	0.87%
Totals	120,232,659	41.78%

SUBSTANTIAL HOLDERS

The following substantial holder notices have been received by the Company:

Holder Name	Holding	% IC
SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	24,465,095	9.19%

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ASX ADDITIONAL INFORMATION (CONT)

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Unmarketable Parcels – 676 Holders comprising a total of 135,184 ordinary fully paid shares. This is based on a price of \$0.075, being the closing trading price on 13 September 2020.

Holding Ranges	 Holders	Total Units	% Issued Share Capital
1 - 1,000	649	56,191	0.02%
1,001 - 5,000	25	67,325	0.02%
5,001 - 10,000	21	175,973	0.06%
10,001 - 100,000	345	17,347,144	6.03%
100,001 - 9,999,999,999	335	270,119,877	93.87%
Totals	1,375	287,766,510	100.00%

RESTRICTED SECURITIES

As at 13 September 2020 the following securities are subject to escrow:

- 15,700,727 Ordinary fully paid shares escrow expiring 14 August 2021
- 60,229,127 Options expiring 14 July 2022 @ \$0.03 escrow expiring 14 August 2021

UNQUOTED SECURITIES

As at 13 September 2020, the following unquoted securities are on issue:

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

Holders with more than 20% - Nil

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

Holders with more than 20% - Nil

125,000 Options expiring 14 July 2022 @ \$0.03 – 1 Holder

Holders with more than 20%

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

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500,000 Options expiring 14 July 2022 @ \$0.03 – 1 Holder

Holder with more than 20%

Holder Name	Holding	% IC
Rec (WA) Pty Ltd	500,000	28.57%

500,000 Options expiring 14 July 2022 @ \$0.03 – 1 Holder

Holder with more than 20%

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

125,000 Options expiring 14 July 2022 @ \$0.03 – 1 Holder

Holder with more than 20%

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

1,000,000 Options expiring 14 July 2022 @ \$0.03 – 2 Holders

Holder with more than 20%

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

250,000 Options expiring 14 July 2022 @ \$0.03 – 1 Holder

Holder with more than 20%

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

98,520,950 Options expiring 14 July 2022 @ \$0.03 – 357 Holders

Holder with more than 20% - Nil

ON-MARKET BUY BACK

There is currently no on-market buyback program.

USE OF FUNDS

Mandrake Resources Ltd has used cash and cash equivalents on hand at re-quotations in a manner consistent with stated business objectives.