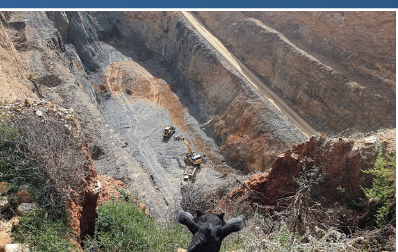
MANUKA RESOURCES

Manuka Resources Ltd ABN 80 611 963 225

ANNUAL REPORT 2023




Annual Report

For the year ended 30 June 2023

Manuka Resources Ltd

ABN 80 611 963 225

CORPORATE DIRECTORY

Directors
Dennis Karp – Executive Chairman

Alan J Eggers – Executive Director

Anthony McPaul – Non-Executive Director

John Seton – Non-Executive Director

Key Management
Haydn Lynch – Chief Operating Officer

Company Secretary
Toni Gilholme

Registered Office
Level 4, Grafton Bond Building
201 Kent Street
Sydney NSW 2000

www.manukaresources.com.au

Lawyers
K&L Gates
Level 31, 1 O'Connell Street
Sydney NSW 2000

Auditor
Ernst & Young
200 George Street
Sydney NSW 2000

Share Registry
Automic Group Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Stock Exchange Listing
Manuka Resources Limited shares (Code: MKR) are listed on the Australian Securities Exchange.

Contents

Executive Chairman's Report

PROCESSING SILVER STOCK-PILES, RECOMMENCING GOLD PRODUCTION AND THE PURCHASE OF TRANS-TASMAN RESOURCES

This Annual Report marks our third year as a producing precious metals company listed on the ASX.

Our 2022-23 Financial Year started with great optimism. Just prior to the start of the year the Company had commenced silver production from the Wonawinta Stockpile Project (WSP) conveniently located on our ROM pad at the Wonawinta plant. Production was scaling up broadly according to forecasts, and we were enjoying the additional benefit of a consistent gold payable equating to 15% of silver revenues.

However, as shareholders will know, over the September and December Quarters a number of factors conspired to impact forecast silver production. In particular a period of exceptionally wet weather resulted in the Cobar region being declared a state of natural disaster in September 2022. Additionally, our ore crushing contractors had failed to meet their targets to that point and the wet weather event together with the high clay content in the stockpiles further compounded our lack of processing material and thus silver output.

We persevered with processing the screened silver material for a further three months and while we saw an improvement in recoveries took the decision to defer the processing of the remaining silver stockpiles culminating in final processing activities in February 2023. The WSP clearly did not meet our financial expectations due primarily to the lack of steady crushed and screened ore for processing outlined above but also due to the persistently weak Australian dollar price of silver which fell steadily from A$36 an ounce silver at the commencement of the WSP to A$27 an ounce in the last quarter of 2022.

There were benefits, however, accruing from the WSP which will stand the Company in good stead as it looks towards future silver production. The first relates to the capacity of the plant which was able to be expanded to ~1.0Mtpa with the addition of relatively modest capital enhancements, and the second relates to an improved understanding of the metallurgical characteristics of the silver ores, and how best to process these, as the vast majority of the contained silver resides in the finer fractions. Both of these will make a marked difference to our silver business case over the periods ahead.

Manuka holds a material position in the Cobar Basin, including the fully approved Wonawinta Silver Project and the Mt Boppy Gold Project, the substantial ~1Mtpa processing plant at Wonawinta, as well as an exploration tenement package extending over an area exceeding 1125km^2. During the year the Company undertook a comprehensive Strategic Exploration Review of all its Cobar tenements which included assessing and considering over 30 years' worth of geological and geophysical exploration data and reports focused, in particular, on the potential impact of where near-mine exploration could add to our existing mineral resource estimates and identify potential mill feed for the Wonawinta plant.

As a result of this Review the Company is targeting a very substantial increase in gold resources of between 250,000-530,000oz gold @2.5g/tAu from Mt Boppy depth extensions as well as McKinnons mine and the Pipeline Ridge prospect. Exploration and drilling is now planned to commence in the December quarter 2023. As at time of writing the Company has released an initial updated gold Mineral Resources Estimate at Mt Boppy[1] of 160,100oz gold at 2.01g/t Au, up from 44,850oz gold at 4.95g/t Au.

---

[1] ASX release 25 August 2023

The Review also concluded that there was a potentially very profitable gold-in-fines stockpile project encompassing the Mt Boppy ROM, waste-dump and tailings. Test work was completed in April 2023 screening the various materials to a -8mm size fraction. This reinforced the business case for a screening project to produce gold and commercial screening activities commenced at Mt Boppy in May 2023. Gold production through the Wonawinta plant started mid-June with the processing and first sales of gold to the refinery in July 2023.

Although it's just three months since gold sales from the Mt Boppy screening project commenced, as at time of writing I am very pleased to advise that the Company is cash flow positive, again, and gold grades as well as recoveries are on target. There is potential for several years of gold production from the screening and processing of up to 4 million tonnes of Mt Boppy waste and dump material. In addition, we currently await final test results on the screened McKinnons gold mine waste dump material which, based in initial trenching assays, appears to be commercially viable. The Company's gold production target is for between 60,000-80,000oz Au over a three to four-year period.

The Strategic Review identified the potential increases in our resource inventory that a well targeted exploration program could add. This exploration program, now planned to commence in Q4 2023, will be funded by our gold production cash flows. Initial drilling target is the 'Mt Boppy Deeps' drilling where a program of five holes drilled to 300m-600m depth below the Mt Boppy open pit is planned. I look forward to providing these drilling updates to our shareholders over the coming months. I do see this as an exceptionally exciting time at Manuka as Mt Boppy starts hitting steady state gold production targets yielding positive cash flows allowing the Company to systematically evaluate a portfolio of highly ranked near mine and exploration base and precious metal targets on our tenements in the Cobar Basin of NSW.

On 10 November 2022 Manuka received shareholder approval to complete its purchase of Trans-Tasman Resources Ltd, the owner of the Taranaki VTM (vanadiferous titanomagnetite) Project in New Zealand. The Project contains a JORC resource of 3.2 billion tonnes of iron sands and has a mining license initially permitting the mining of 50Mt a year producing 5.0Mt of VTM concentrate a year over a 20-year period. At this rate the JORC resource contains a potential 60 years of mining inventory. Manuka was attracted to this asset given its enormous scale, the extensive quantum of work already completed to advance the Project, its low-cost production base, superior environmental credentials and diversification benefits.

The TTR Pre-Feasibility Study completed in 2013 and adjusted to 2022 cost structures, places the Project's cost of iron ore production in the lowest cost quartile. Furthermore, the VTM concentrate produced will quite possibly be the lowest carbon emitter per tonne of concentrate produced of any iron ore producer.

VTM titanomagnetite iron sands are in strong demand as feed for electric arc furnaces (EAF) to produce low carbon "green steel". EAF steel making burns 50% less coal, reduces carbon emissions by more than 45% in the steel making process and can make a material contribution to net zero goal targets. Attractive in its own right as an iron sands project, nonetheless shortly after Manuka purchased the asset we completed an assessment of its vanadium potential. In March 2023 we announced a maiden vanadium resource of 1.6Mt of contained vanadium pentoxide (V_2O_5), ranking it as one of the larger drilled vanadium deposits globally. At an assumed production rate of 5Mtpa VTM concentrate the concentrate would contain 25,000 tonnes of V_2O_5 equivalent to 14,000t of vanadium metal (V) a year, making it one of the largest aspiring vanadium producers on the ASX.

This project presents Manuka with a unique opportunity to securing production of VTM concentrate and a stronghold in vanadium production, a commodity which has been declared a critical mineral by the Governments of the USA, in the EU and Australia, required for hardening and strengthening of steel and now proving essential for utility or grid scale battery storage underpinning a green-energy fuelled global economy.

In terms of moving the Project forward, TTR was granted a Marine Consent and Marine Discharge Consent to operate the Project by the NZ Environmental Protection Authority (EPA) in 2017. While this Consent was subject to third party challenge, New Zealand's highest court, the Supreme Court[2], has subsequently referred the Consents back to the EPA for final reconsideration on five narrowly defined points of law, in a process which TTR initially expected to complete during Q1 2023. Due to delays in the EPA hearing process, completely beyond our control, this time-line has extended to the point we now expect the EPA decision during Q4 2023. TTR believes its environmental consents application meets the tests as laid down by the Supreme Court rulings, has provided this information to the reconvened EPA hearing, and does not anticipate further scope to challenge the re-grant of the Consents once awarded.

Alan Eggers, Executive Chair of TTR and John Seton Non-Executive Director of TTR were both appointed to the Manuka Board, while Nick Lindsay stepped down from the Board at the same time and I would like to thank him once again for over four years of service with Manuka Resources.

In closing, I would like to thank the entire team at Manuka Resources for their assistance in what has been an extremely challenging year. A further thank you is extended to my fellow executive director Alan Eggers, to our two Non-Executive Directors Tony McPaul and John Seton, to Haydn Lynch, our Chief Operating Officer, and Toni Gilholme our Company Secretary for all their work during the financial year.

Also thank you to all our shareholders for your support during the year. We enter FY23/24 with gold production continuing at Mt Boppy, a near four-fold increases in gold resources and the expectation that there will be more increases to come. Delivery of positive results and resource upgrades from our accelerated exploration and drilling campaign on our targets in the Cobar Basin should be another key feature of the year ahead. Our exposure to vanadium through the enormous Taranaki VTM Project remains under appreciated by the share market, in the Board's view, but we expect activity in FY23/24, with the final approval of our environmental consents behind us, to bring the potential of the Project into sharper focus.

Dennis Karp
Executive Chair

[2] Judgment delivered 30 September 2021.

Review of Operations

COMPANY PROFILE AND OPERATIONAL OVERVIEW

Manuka Resources Ltd ("Manuka" or "the Company") completed the trial phase of silver oxide stockpile processing at the Wonawinta project during the year after completion of the first phase of open cut gold production from Mt Boppy in the prior year. At the conclusion of the trial silver oxide phase a development plan to process mineralised gold material from Mt Boppy was proposed and implemented (Mt Boppy Stockpile Reprocessing). This plan centres on producing gold from the ROM and overburden dump stockpiles at the Mt Boppy mine site via a simple process of screening out the sub 8mm particle fraction which contains the majority of the gold (and associated silver). The Company continues to employ a significant percentage of its workforce, including contractors, from the Central West region of NSW as part of its concerted effort to benefit the local community as much as possible.

The above mentioned Mt Boppy Stockpile Reprocessing activities commenced in May 2023 with finalisation of a bulk sampling program to enable better evaluation of project economics. This led to full scale processing commencing in late June 2023. Resource modelling for this previously designated waste material is underway and will be released during Q3 of the 2023 calendar year. This material is not previously treated ore (tails) but rather ROM material that was previously classified as barren overburden.

A comprehensive review of all exploration prospects within the entire tenement package (Canbelego and Western Cobar Basin) was completed by the new Chief Geologist Mr Phil Bentley during Q1 of the 2023 calendar year[3]. This resulted in a re-prioritisation of field activities with an immediate focus on further review and interrogation of historic geophysical data to better define future drill programs. Partly as a result of inclement weather conditions in the region the Company undertook limited exploration drilling during the year.

The Company completed the acquisition of Trans-Tasman Resources Limited (TTR) in November 2022[4] . TTR hosts a significant shallow offshore iron sands and vanadium project in the South Taranaki Bight of New Zealand. The Project is at the Bankable Feasibility Study (BFS) stage and currently progressing its EPA consent. A successful conclusion of that activity will trigger commencement of final detailed engineering and capital costings. Once developed the TTR project could be a major export earner for New Zealand and a significant employer in the local community producing an iron ore concentrate with significant vanadium co-product required for high grade steel alloys and with increasing application in large-scale battery storage technologies.

BACKGROUND

Manuka Resources Limited (ASX: MKR) is an Australian mining and exploration company located in the Cobar Basin, central west New South Wales. It is the 100% owner of two fully permitted mining projects, one gold and one silver, both within the Cobar Basin and a pre development project situated in the South Taranaki Bight in New Zealand which include the following:

- Mt Boppy Gold mine and neighbouring tenements. Operations at the Mt Boppy project recommenced Q2 of the 2023 calendar year in the form of a stockpile reprocessing project, future deeper drilling in the pit will be conducted during 2H 2023 to add additional gold resources before an updated mine plan is developed.

---

[3] ASX release 14 February 2023
[4] ASX release 11 November 2022

- Wonawinta silver project, with mine, processing plant and neighbouring tenements. The Wonawinta processing plant recommenced silver production in March 2022 in the form of a trial operation on existing silver oxide stockpiles. This trial ceased in February 2023 with the results feeding into the ongoing mine planning for the opening up of new pits on the mining lease and potential re-entry into existing pits
- Highly prospective exploration targets on its ~1150km^2 tenement portfolio in the Cobar Basin
- Completion of the BFS on the Taranaki VTM (vanadiferous titanomagnetite) project once the New Zealand EPA consent process has completed satisfactorily.

THE MT BOPPY GOLD PROJECT

Operations

The first phase of open pit production at Mt Boppy finished in early 2022[5]. No mining or material movement operations were conducted after that date until Q2 of the 2023 calendar year when bulk sampling of previously classified barren overburden material was conducted.

A trommel with 8mm apertures was used to sort the material on the Mt Boppy ROM into two product fractions namely a sub 8mm and a 8-20 mm fraction. Once confirmation of grade distribution was determined (average circa 1.8 g/t)[6] a McCloskey R155 double deck screen was commissioned to start full scale production of screened material. This screened product is hauled to the Wonawinta plant for processing. Bulk trommel sampling was also undertaken on the existing overburden dump situated west of the pit. This has demonstrated a similar gold grade distribution as found on the ROM.

The company is forecasting around four years of project life and released an updated mineral resources estimate in August 2023 for these resources[7].

Regional Geology

Mount Boppy is hosted within Devonian-age sedimentary and volcanic rocks of the Canbelego-Mineral Hill Rift Zone. Mineralisation occurs largely in brecciated and silicified fine-grained sediments of the Baledmund Formation, within and adjacent to a faulted contact with older Girilambone Group sedimentary rocks. Lodes strike approximately north-south and dip steeply west, although the widest zone of mineralisation is related to slightly shallower dips. Gold mineralisation is fine-grained and commonly associated with coarse grained iron rich sphalerite. Section 7.2 of the Independent Technical Report discusses the local geology of the project area[8].

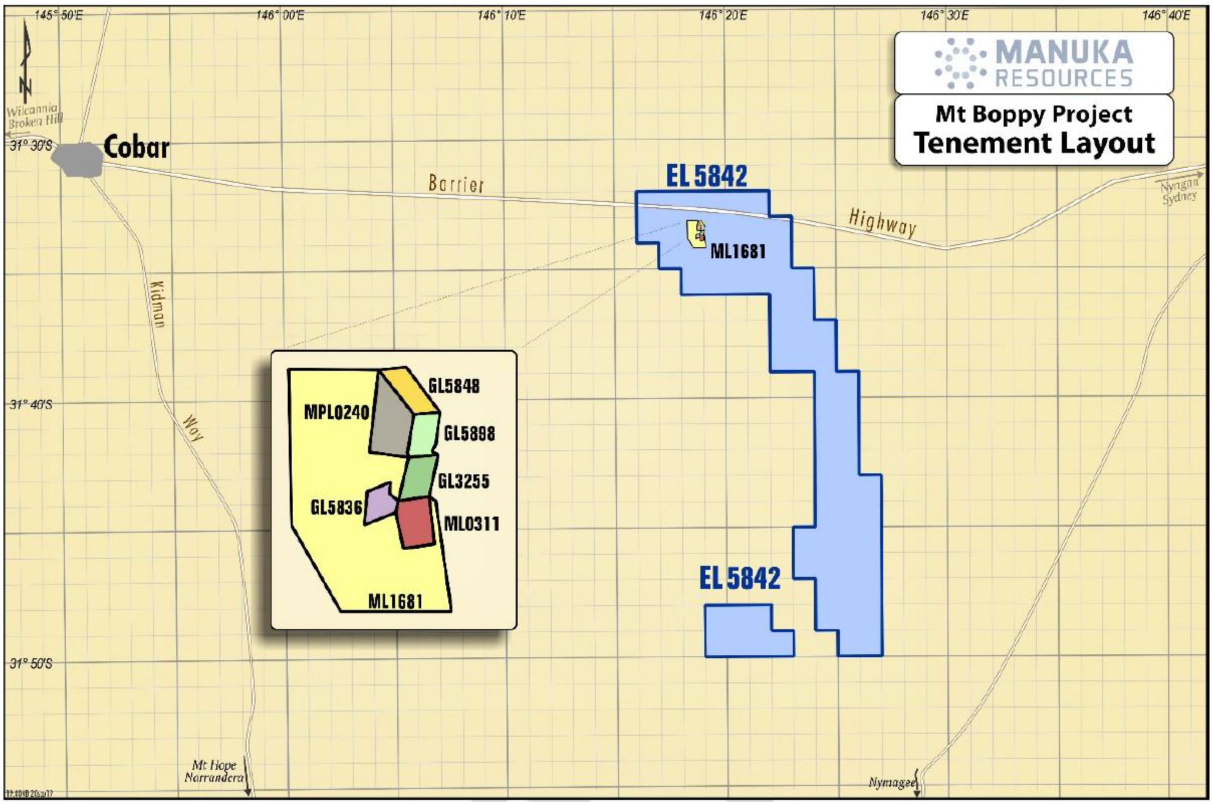
Tenements

The Mt Boppy Gold Project (which comprises 3 granted mining leases, 4 gold leases, and one exploration licence (which together cover an area in excess of approximately 210 km2)) is located approximately 46 km east of Cobar, on the eastern side of the highly prospective and metalliferous Cobar Basin. The Company owns (via its wholly owned subsidiary, Mt Boppy Resources P/L) 100% of the interests in the tenements detailed in the following table:

[5] ASX release 8 March 2022
[6] ASX release 31 July 2023 June Quarterly
[7] ASX release 25 August 2023
[8] See Prospectus dated 22 May 2020, ASX release 10 July 2020

Tenement	Grant Date	Renewal Date	Expiry Date	Area (km2)
GL3255	20-May-1926	08-Jul-2014	20-May-2033	8.30
GL5836	15-Jun-1965	08-Jul-2014	15-Jun-2033	6.05
GL5848	15-Feb-1968	08-Jul-2014	15-Jun-2033	8.62
GL5898	21-Jun-1972	08-Jul-2014	12-Dec-2033	7.50
ML311	08-Dec-1976	08-Jul-2014	12-Dec-2033	10.12
ML1681	12-Dec-2012	12-Dec-2012	12-Dec-2033	188.10
MPL240	17-Jan-1986	08-Jul-2014	12-Dec-2033	17.80
EL5842	19-Apr-2001	3-Aug-2022	19-Apr-2026	210 km^2

(Table 1 – Tenements Mt Boppy)



(Figure 1 - Tenements - Mt Boppy Gold Project)

THE WONAWINTA SILVER PROJECT

The Company holds title to the pastoral lease for "Manuka", upon part of which the Wonawinta Silver Project is located. The Manuka pastoral lease is connected to the low voltage rural power network and contains useful infrastructure namely a homestead, internet satellite connection and airstrip.

Operations

The Company completed the trial phase of silver oxide stockpile processing in February 2023[9]. The results from this trial will be used to better inform the ongoing mine planning process for opening up new pits on the Wonawinta silver project. During this phase of operations it was found that silver species in the oxide material was present in two broad size fractions. Modifications were made to the front end material handling circuit to introduce the smaller ball mill and incorporate a trommel in the flowsheet (deslimer circuit) to process the finer fractions which held a significant proportion of silver. The presence of small amounts of gold in this material was unexpected and a potential positive impact to the future project economics.

This phase of operations encountered significant headwinds with wet weather making handling of the clay material in the stockpiles challenging. This trial phase was designed to highlight to the operational team any potential issues that may be encountered in a full mining operation and has provided the company with valuable data in relation to risks and potential mitigants.

Regional Geology

The Cobar Basin is located in central-west New South Wales, approximately 700 km north-west of Sydney. It is a complex metallogenic system containing numerous mineral deposits. "Cobar-style" mineral deposits comprise a unique class of large and commonly high-grade base and precious metal deposits hosted by marine sediments. They typically have great vertical extent but only a small surface footprint.

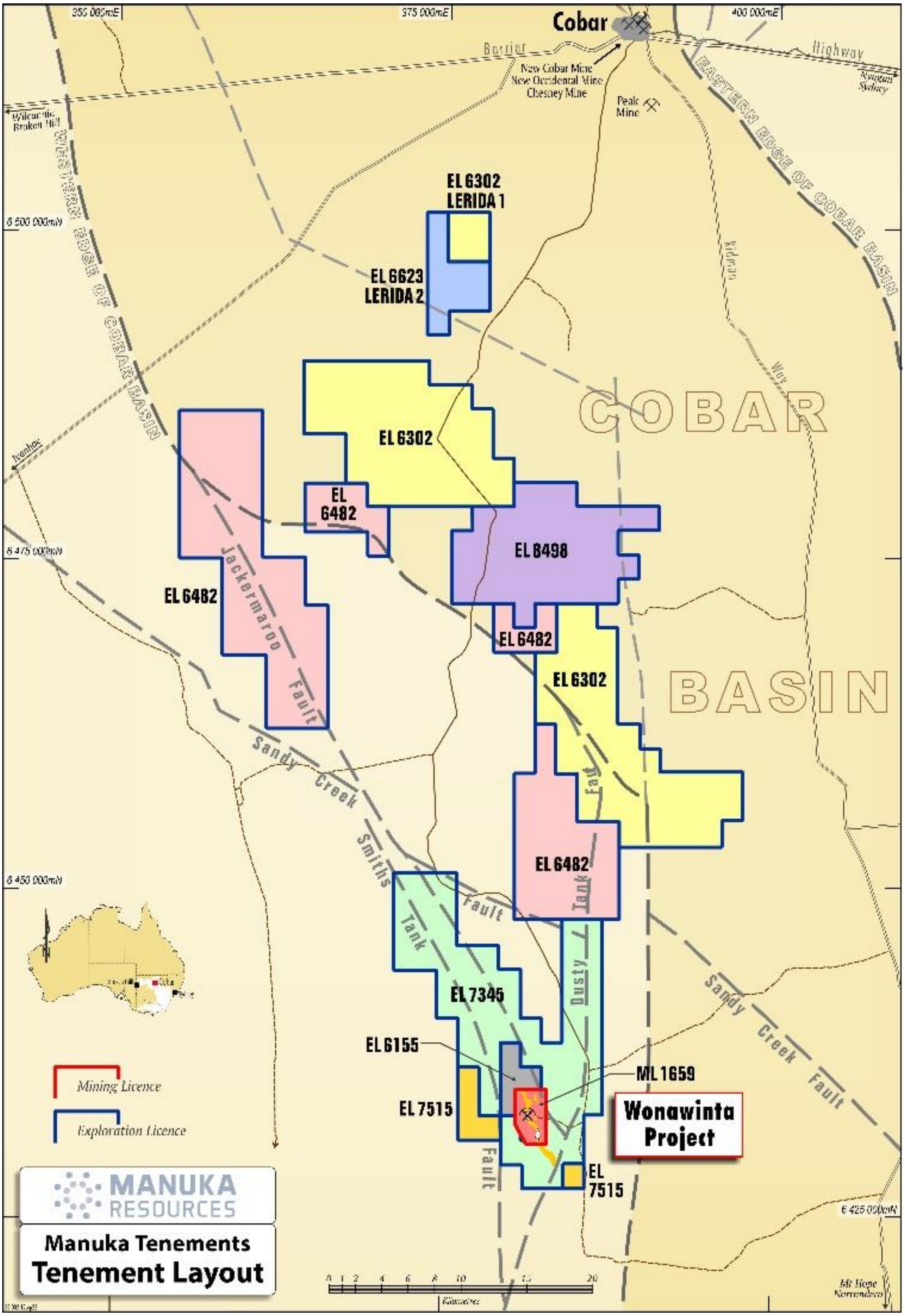
Tenements

The Company directly owns 100% of the interests in the Tenements detailed in the following table:

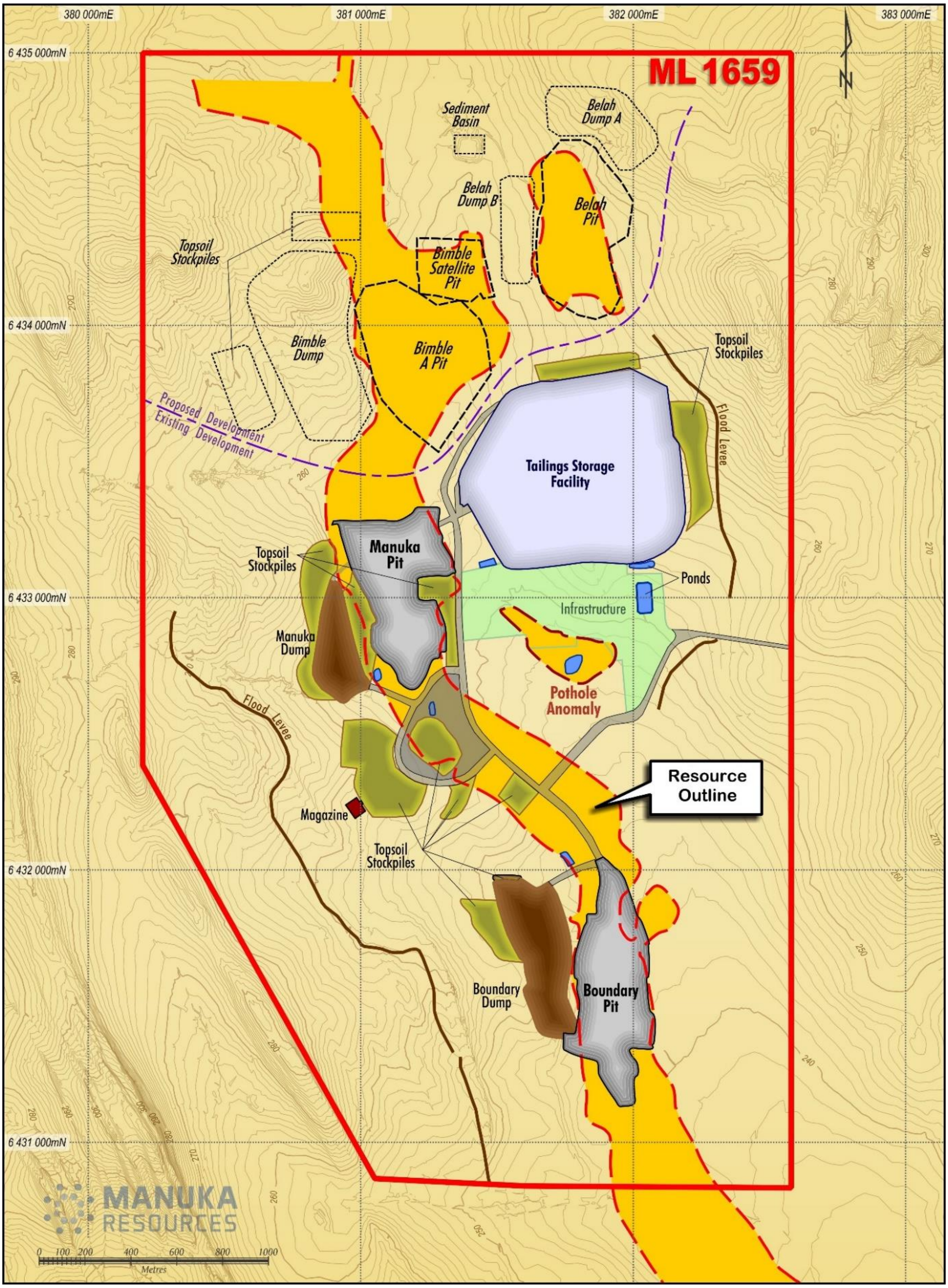
Tenement	Grant Date	Renewal Date	Expiry Date	Area (km2)
ML1659	23-Nov-11	23-Nov-2011	23-Nov-32	9.24
EL6482	18-Nov-05	27-Jan-2022	18-Nov-26	268.21
EL7345	25-May-09	27-Jul-2022	25-May-28	169.18
EL6155	17-Nov-03	23-Jan-2022	17-Nov-26	10.54
EL6302	23-Sep-04	20-Jan-2022	23-Sep-26	280.02
EL7515	7-Apr-10	9-Jun-2022	7-Apr-27	14.53
EL6623	31-Aug-06	18-Mar-2021	31-Aug-23 (Renewal in progress)	26.24
EL8498	10-Jan-17	3 –Nov-2021	10-Jan-24	114

(Table 2 – Tenements Wonawinta)

[9] ASX release 28 April 2023 – March Quarterly



(Figure 2 - Tenements of Wonawinta Silver Project)



(Figure 3 – Existing mine infrastructure and resource outline in ML 1659)

STRATEGY AND DEVELOPMENT PLANS

During the year processing operations consisted of a trial phase of silver oxide stockpile processing at the Wonawinta plant. This trial phase of processing over approximately 12 months provided the Company with valuable processing and metallurgical data to better inform mine planning for the oxide silver resource at Wonawinta. This data included an evaluation of optimal ore handling in the comminution circuit. It was discovered that the majority of the silver mineral species were contained within certain discrete size fractions. Segregation of the silver bearing size fractions during this trial phase resulted in critical knowledge being developed for future front end material handling operations.

Whilst the trial silver phase wound down, a program of bulk sampling on previously classified barren overburden at Mt Boppy from both the ROM area and the western waste dump was initiated. This bulk sampling program was able to produce a gold bearing product of approximately 1.8 g/t from a sub 8mm fraction derived from a simple rotating screen. These positive sampling results gave the company confidence to begin larger scale production utilising a McCloskey R155 to produce a sub 8mm and plus 8 sub 20mm product fractions. Approximately 80% of the gold appears contained in the sub 8mm fraction meaning that the sub 20mm fraction will ideally be selectively fed into the plant. The Wonawinta plant was recommissioned for this current phase of gold processing in June 2023 and required only minor modifications from its previous phase of leaching silver from the oxide stockpiles.

The Company has commenced producing gold from screening rock dump and tailings material at the Mt Boppy ROM. Bulk sample evaluation has continued and has progressed evaluation of the Mt Boppy Main waste rock dump, the low grade rock dump and tailings at the TSF3 impoundment[10]. As at the end of August 2023, a total of 124,931t of waste and ROM material has been screened. This has generated a total of 83,262t screened material of which 74,921t is <8mm (60% of total material) and 8,341t is between 8-20mm fractions (7% of total). The grade of the screened material produced to date is consistent with initial expectations (1.7 - 1.8g/t Au). Current forecasts show the processing of these areas together with processing of the existing open pit to continue over the next four years. The Company has released an updated Mineral Resources Estimate (MRE) over the rock dump, the tailings, the Mt Boppy ROM and the Mt Boppy Main waste dump (previously classified barren overburden areas[11]).

The company also continues to evaluate proximal and near-term silver and base metals processing opportunities which take advantage of the strategic location of the Wonawinta processing plant. This includes the potential reconfiguration of the existing flowsheet to process sulphide ore through a flotation circuit.

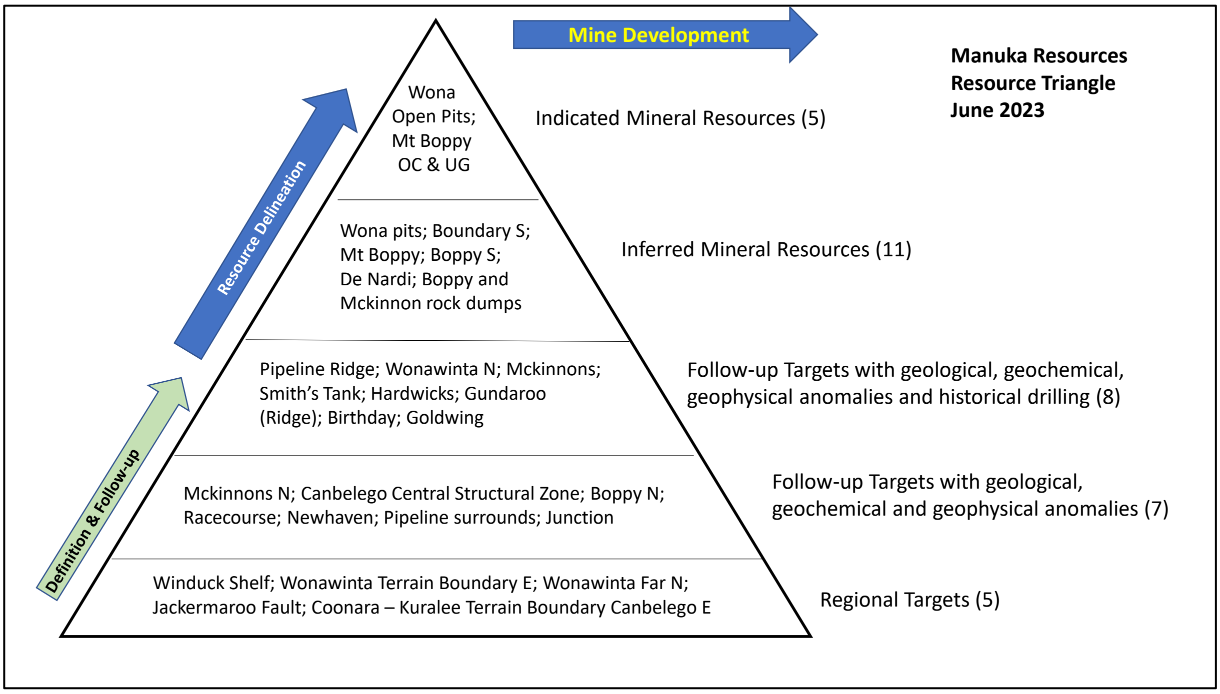
The Mt Boppy gold mine (existing open pit) is also undergoing evaluation for a second phase of open cut mining to extract the current in pit gold resource. This could involve a cut back on the western wall of the pit after further deeper drilling.

Exploration Strategy and Overview

The Company's exploration strategy to date has focussed on near mine targets at both Mt Boppy and Wonawinta in an effort to develop resources close to existing operations. The Strategic Review completed during January 2023 enabled ranking of gold and base metal targets with the emphasis on turning to account.

---

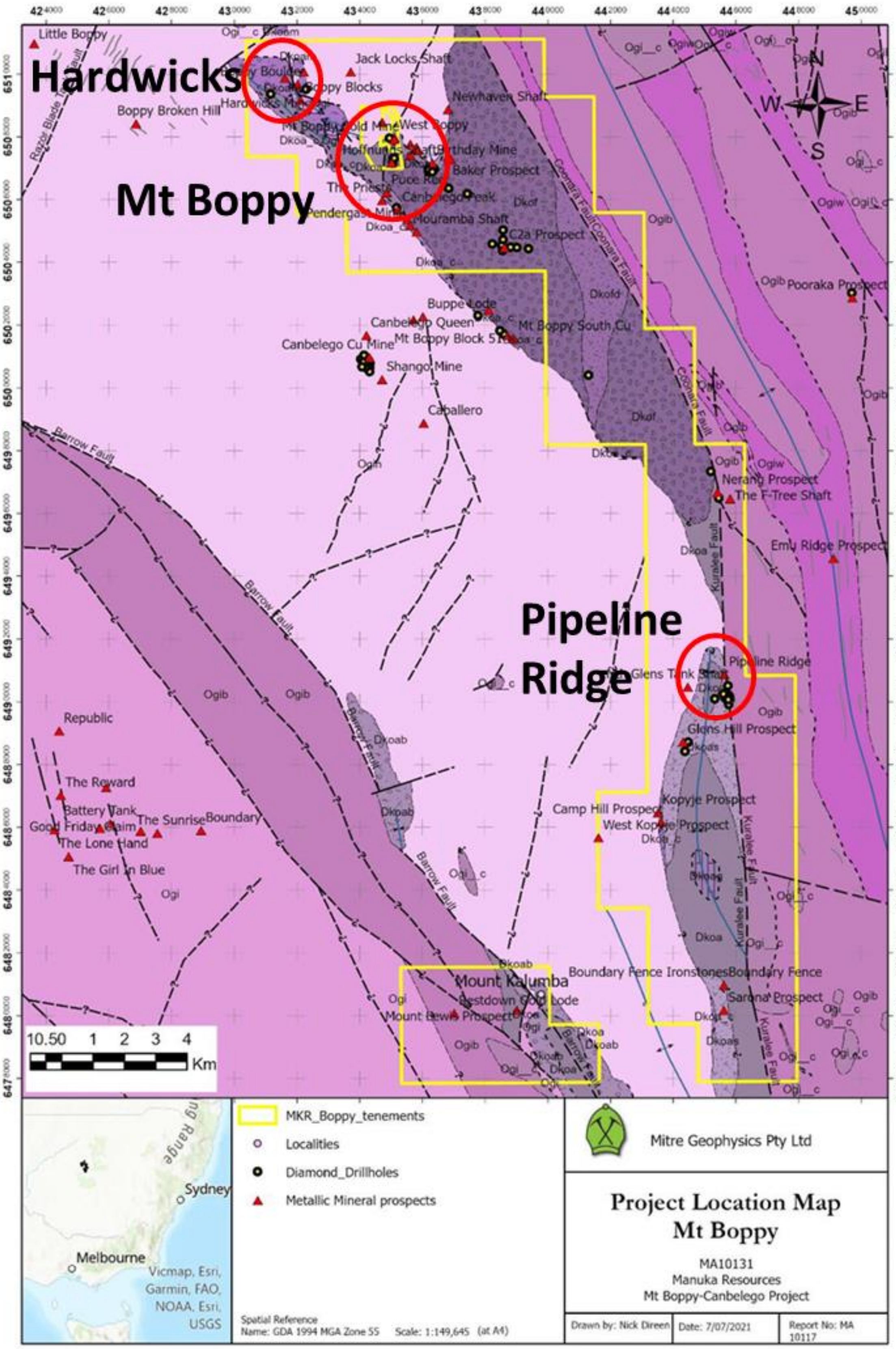
[10] ASX release dated 25 August 2023
[11] ASX release dated 25 August 2023



(Figure 4: MKR Resource Triangle, 30 June 2023)

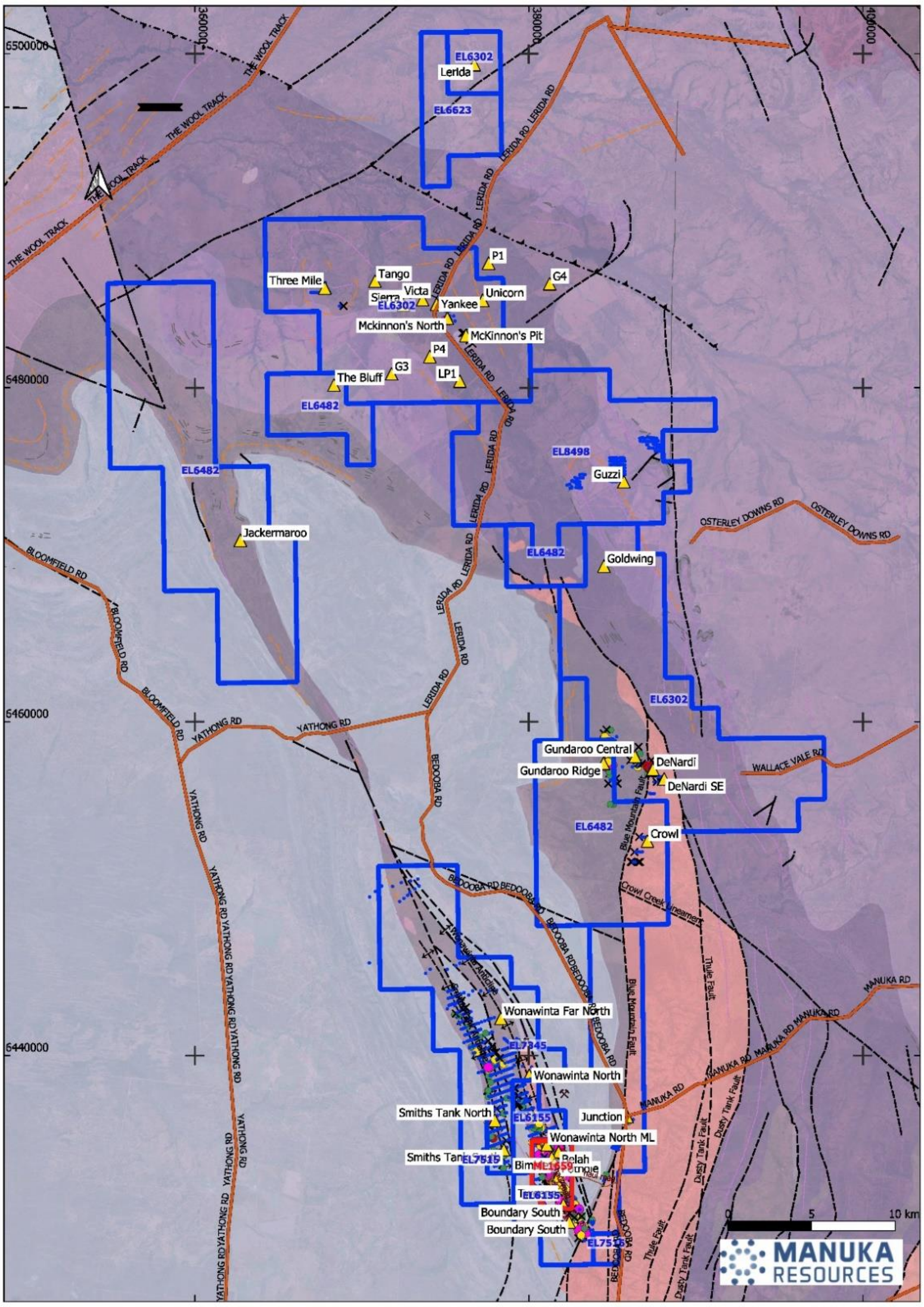
MKR has continued reviewing and integrating previous exploration and public domain geoscience datasets. A geophysical review was completed during June 2023 on the Canbelego tenements held by the Company (Figure 5) and a similar study was conducted during August 2023 on the Wonawinta Project tenements (Figure 6) with results to be evaluated during Q4 of the 2023 calendar year.

On the Canbelego tenements (EL5842 and Mt Boppy ML's) the priority exploration and development targets are the Mt Boppy dump retreatment evaluation, Mt Boppy Mine deep drilling, Hardwicks (Au), and Pipeline Ridge (Au-Cu-Pb-Zn).

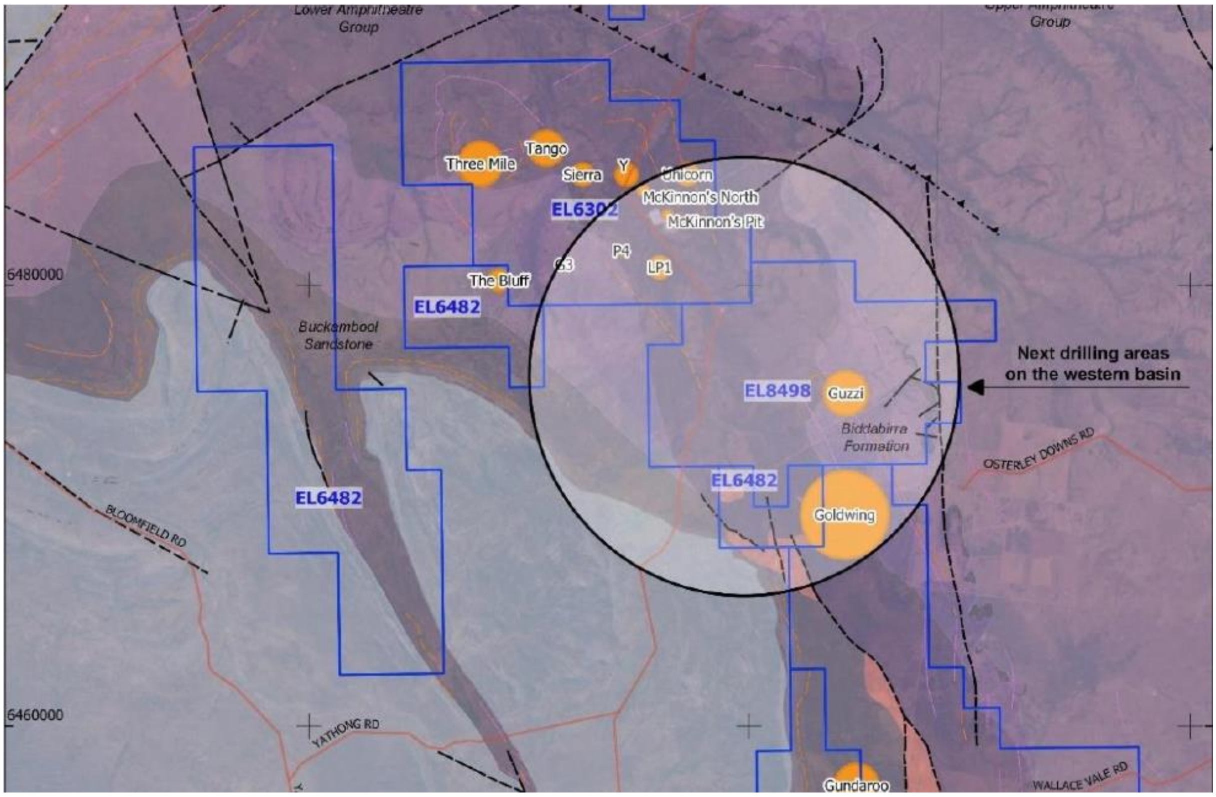


(Figure 5: Canbelego EL5482 and Mt Boppy ML's area of geophysical review, simplified geology and mineral prospects)

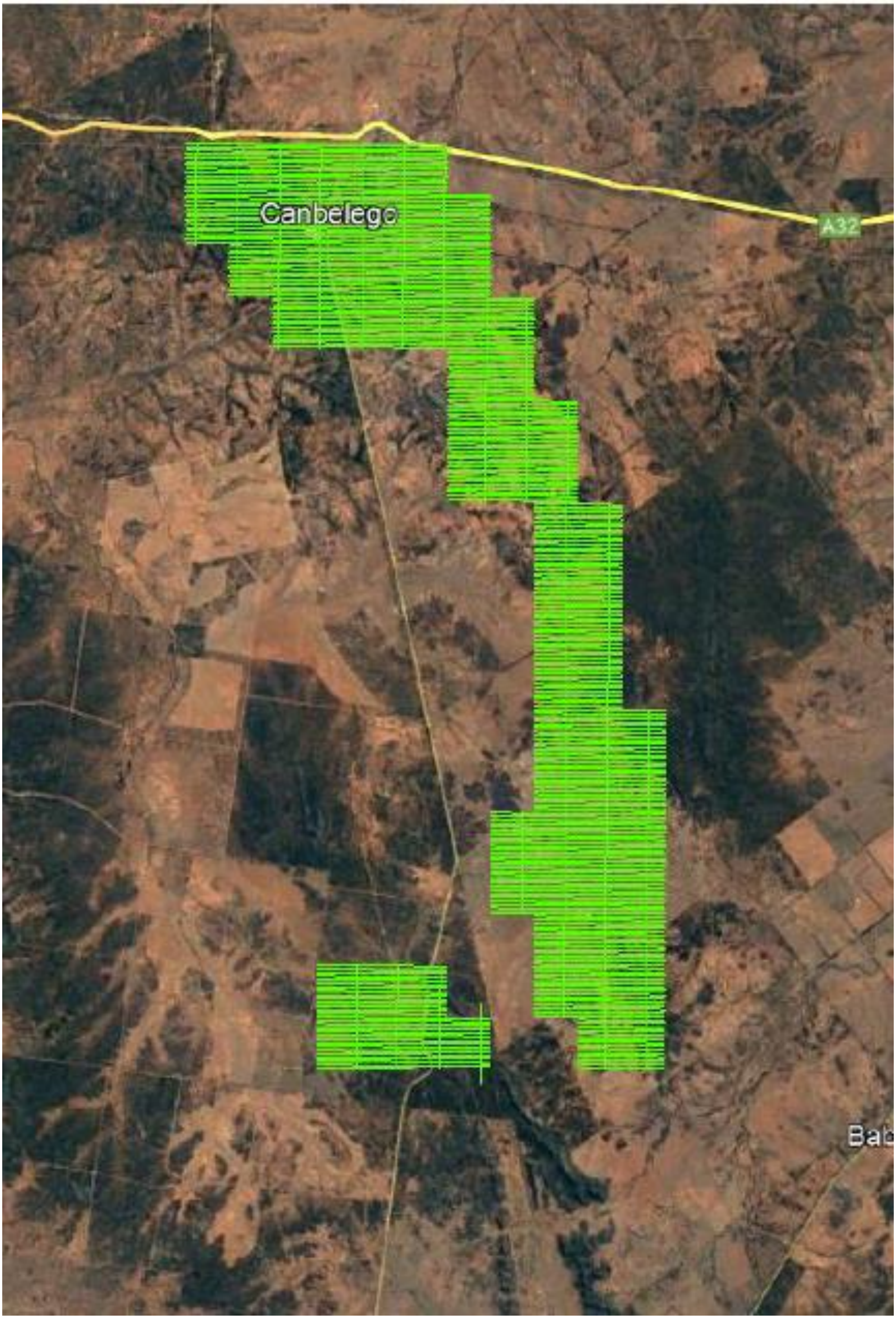
Wonawinta Project targets (Figure 6) include the Wonawinta ML1659 (Ag-Pb-Zn) and extensions on EL7345, gold and base metal mineralisation on EL6302 (site of the historic 2g/t McKinnons gold mine) and EL8498 (Guzzi Prospect), and EL6482 (De Nardi, Gundaroo Cu-Pb-Zn; Figure 7). In a similar strategy as per Mt Boppy a bulk sampling program was initiated on the old McKinnon gold waste dump in late June 2023. Results are pending but expected to be similar to the results from Mt Boppy. McKinnon's is approximately 50km from the Wonawinta plant with a shire road connecting the sites.



(Figure 6: Wonawinta and northern exploration targets)



(Figure 7 – Gold exploration targets in the McKinnons mine area, north of Wonawinta)



(Figure 8 – Helicopter VTEM Area EL5842)

TARANAKI VTM PROJECT

Manuka entered into a Binding Term Sheet for the purchase (subject to Manuka shareholder approval) of emerging vanadiferous titanomagnetite iron sands producer Trans-Tasman Resources Limited (TTR) on 1st August 2022[12]. In November 2022 Manuka acquired 100% of TTR for the issue of 176,938,295 new Manuka shares.

A general meeting of shareholders was called under a notice of meeting distributed to shareholders on 22nd August 2022[13]. At the General Meeting which was held on 21st September 2022 shareholders approved the issue of Manuka shares to TTR shareholders[14]. Shares were issued at completion of the acquisition in November 2022. Details of the acquisition are outlined in the Financial Statements attached.

TTR is a New Zealand incorporated company that was granted Mineral Mining Permit MMP55581, located 22km to 36km offshore in New Zealand's South Taranaki Bight, in 2014. The South Taranaki Bight extends into an EEZ (exclusive economic zone) controlled by New Zealand. Within the EEZ there exists 3 operating oil and gas platforms, while other commercial operations await operating approval. A Bankable Feasibility Study (BFS) for an offshore iron sands project has commenced (Taranaki VTM Project). Manuka's vision is for a project initially recovering approximately 5 million tonnes (Mt) of vanadiferous titanomagnetite (VTM) iron ore concentrate per annum over a 20 year mine life[15].

In 2017 the NZ Environmental Protection Authority (EPA) granted the environmental marine and marine discharge consents (Consents) to operate. The grant of these Consents was then subject to third party legal challenge. Judgments in the High Court in 2018, the Court of Appeal in 2020 and particularly the Supreme Court (SC) in 2021[16] summarised the legal deficiencies of the EPA's Decision Making Committee's (DMC) Consents grant and the legal framework for the DMC to address when the grants are reconsidered.

The SC referred the Consents back to the EPA for reconsideration by its DMC on five narrowly defined points of law. The new DMC reconvened in March 2023[17] and requested TTR provide expert evidence to satisfy the SC's ruling on information deficits. In May and August 2023 TTR provided the expert evidence requested by the reconvened DMC to satisfy the SC's requirements and legal tests to reissue the Consents. These expert reports concluded the proposed VTM mineral recovery in STB will avoid material harm, will favour caution and environmental protection in relation to the effects of the proposed mining operations and resulting sedimentation on biota in the STB including no adverse ecological effects on marine mammals and seabirds. Accordingly, there are no aspects of TTR's 2017 environmental Consents that are an impediment to having them re-approved by the reconvened DMC[18].

In parallel with this formal EPA engagement process, TTR will commission additional metallurgical test work to optimise the flowsheet for processing of the VTM concentrate (including the recovery of vanadium and titanium) during 2H 2023 and undertake marketing (and related) studies building on work completed during the Pre-Feasibility Study (PFS).

Globally VTM titanomagnetite iron sands are in strong demand as feed for electric arc furnaces (EAF) to produce low carbon "green steel". EAF steel making burns 50% less coal, reduces emissions by more than 45%

---

12 Refer ASX release dated 1 August 2022
13 Refer ASX release dated 22 August 2022
14 Refer ASX release dated 21 September 2022
15 Refer ASX release dated 1 August 2022
16 Judgement delivered 30 September 2021
17 Refer EPA Public consultation disclosures at www.epa.govt.nz/public-consultations/in-progress/trans-tasman-resources-limited-2016/
18 Refer ASX announcement 1 August 2022

in the steel making process and sets the platform for meeting net zero goals by 2050. Vanadium, apart from its widespread and increasing application as a steel alloying element to strengthen steel, is rapidly building demand as an electrolyte in vanadium redox flow batteries (VRFB) which are fast becoming the preferred IP ahead of all competing technologies for large grid-scale high-capacity battery stations to store renewable energy due to their large energy storage capacity, longevity and fire safety characteristics.

Australia is now building its first 850Mw, with 1,680Mwh capacity, VRFB Waratah Super Battery at the former Munmorah coal fired power station in NSW to help drive Australia's transition to a low carbon economy.

With concerns over the sovereign security of vanadium supply from key producing nations China (comprising 55% of global production), Russia (20% of global production), Brazil (15%) and South Africa (10%), vanadium now has "critical mineral" status in Australia, USA and the EU. The demand for VTM concentrate for EAF low carbon green steel production together with the rapidly growing demand for vanadium underpinning rising prices for the metal, suggests the potential of our Taranaki VTM Project, hosting one of the largest known vanadium resources in the world with 1.6Mt contained vanadium pentoxide (V_2O_5), will attract the competitive capital investment and metal producer offtake interest required to develop the project.

The Taranaki VTM Project, with an assumed annual production of 5Mt VTM concentrate containing 25,000t V_2O_5, or 14,000t vanadium metal (V), would, at around 70% metallurgical recovery rate, produce 10,000 tonnes of vanadium metal per annum, make Manuka one of the leading vanadium producers in the world and propel NZ into the third largest producer of the metal after China and Russia.

Mineral Resource Statements

Mining operations ceased at Mt Boppy in November 2021. The updated Mt Boppy resource was released 29th July 2022[19]and the JORC 2012 categorised Resources remain unchanged JORC categorised Mineral Resources for Wonawinta were released to the ASX on 1 April 2021.

Mt Boppy Mineral Resource Statement

The total remaining Resource as at 30 June 2023 is 281,850 tonnes at a grade of 4.95 g/t Au for 44,820 ounces. The mineral resource estimate for Mt Boppy is reported within a pit shell that reaches a depth of 215m below surface at the southern end of the deposit. Resources are reported with respect to the current pit design. Material within the pit design is reported at a 1.6 g/t cut off and material below the pit design is reported to a 3.0 g/t cut off.

Resource Category	Tonnes	Grade	Contained gold
		g/t Au	Troy ounces
Measured	106,850	5.25	18,020
Indicated	158,000	4.85	24,700
Inferred	17,000	3.93	2,100
Total	**281,850**	**4.95**	**44,820**

(Table 3 - Mt Boppy Gold Resource at 30 June 2023)

The Company released a Mt Boppy Gold Project Resource Upgrade showing a 357% increase in contained ounces. The mineral resource estimate for Mt Boppy is contained within:

- in situ rock dumps and tailings depositories, with in situ gold grades derived from bulk sampling material derived from mechanically pitting and trenching to 2-3m depth and screening +200, -200+20, +8-20, and -8mm size fractions, with cone measurements to ascertain mass % distribution and total volume treated.
- an open cut pit shell that reaches a depth of 215m below surface at the southern end of the Mt Boppy deposit. Resources were reported July 2022 with respect to the current pit design. Material within the pit design is reported at a 1.6 g/t Au cut off and material below the pit design is reported to a 3.0 g/t Au cut off. The open cut is currently flooded and inaccessible for mining. Dewatering and a sidewall pushback is necessary to access and mine these resources.
- a grade shell modelled at a 1.6 g/t cut off over the Boppy South mineral zone. This prospect still requires final drilling and evaluation before assessing establishing a small opencast

Resource Category	Tonnes	Grade	Contained gold
		g/t Au	Troy ounces
Measured	107	5.25	18.0
Indicated	605	3.01	58.5
Inferred	1,770	1.47	83.6
Total	**2,482**	**2.01**	**160.1**

(Table 4: Mt Boppy Resource Update per ASX release 25 August 2023)

[19] Refer ASX release dated 29 July 2022

*The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. Due to rounding to appropriate significant figures, minor discrepancies may occur. All tonnages reported are dry metric.

The Company is not aware of any new information or data that materially affects the information used to present the 2023 mineral resource and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Wonawinta Mineral Resource Statement

The JORC (2012) Mineral Resource Estimate is unchanged over the past 12 months as no additional infill drilling was completed on the Wonawinta resource and no changes have been made to the resource model. The original estimate was released to the ASX on 1 April 2021. The total resources is 38.3 million tonnes at 41.3 g/t Ag and 0.54% Pb providing 50.94 million ounces of silver and 207.2 thousand tonnes of lead. Note this estimate is for the insitu resource and excludes any mineralised silver material which may be present in above ground stockpiles.

The Company is not aware of any new information or data that materially affects the information used to present the 2023 mineral resource and all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed.

Resource Category	Material (Mt)	Ag (g/t)	Ag Moz	Pb (%)	Pb kt
Measured	1.1	47.3	1.65	0.69	7.5
Indicated	12.3	45.5	18.04	0.83	102.8
Inferred	24.9	39.0	31.25	0.39	96.9
Total	38.3	41.3	50.94	0.54	207.2

(Table 5: Resource Estimate reported > 20g/t Ag)

Taranaki VTM Project Mineral Resource Statement

On 1 March 2023 Manuka released a maiden vanadium JORC (2012) Mineral Resource Estimate[20] showing an Indicated & Inferred Mineral Resource of 3.2 billion tnnes (Bt) @ 0.05% vanadium pentoxide (V2O5) for the Taranaki VTM (vanadiferous titanomagnetite) Project (New Zealand).

The mineral resource estimates are classified in accordance with JORC Code 2012.

Grades and tonnages reported are for all material with the recovery of the resource shown on the tables. Reported Head Grades are the -2mm portion of the sample. Concentrate grades are for the magnetically recoverable portion of the sample. Concentrate tonnage is calculated from the head tonnage and DTR.

The mineral resources have been reported at 3.5% DTR cut-off grade where DTR analyses are available within the Cook and the Kupe deposit Blocks. The Tasman deposit has been reported at a cut-off grade of 7.5% Fe_2O_3 based on the statistical relationship between Fe_2O_3 and DTR.

[20] Refer ASX release dated 1 March 20223

Zone	Indicated and Inferred Mineral Resources					DTR Concentrate			
Inside 12 Nm (RMA)	Cut-off Grade	Mt	Fe_2O_3%	TiO_2%	V_2O_5%	Mt	Fe_2O_3%	TiO_2%	V_2O_5%
Cook North Block	3.5% DTR*	274	11.90	1.19	0.06	21	57.19	8.12	0.52
Kupe North Block	3.5% DTR*	417	11.48	1.21	0.06	31	57.07	8.35	0.51
Tasman North Block	7.5% Fe_2O_3	585	9.02	0.88	0.04				
Total VTM Resource RMA		**1,275**	**10.44**	**1.05**	**0.05**		**605**	**3.01**	**58.5**
Outside 12 Nm (RMA)	Cut-off Grade	Mt	Fe_2O_3%	TiO_2%	V_2O_5%	Mt	Fe_2O_3%	TiO_2%	V_2O_5%
Cook South Block	3.5% DTR*	914	10.95	1.12	0.05	63	55.84	8.45	0.50
Kupe South Block	3.5% DTR*	272	9.76	0.98	0.05	16	56.33	8.43	0.50
Tasman South Block	7.5% Fe2O3	695	8.81	0.89	0.04				
Total VTM Resource EEZ		**1,881**	**9.99**	**1.01**	**0.05**				
Taranaki VTM Resource Total		**3,157**	**10.17**	**1.03**	**0.05**				

(Table 6: Trans-Tasman Resource Update per ASX release 1 March 2023)

Governance arrangements and internal controls

Manuka has put in place governance arrangements and internal controls with respect to its estimates of Mineral Resources and Ore Reserves and the estimation process, including:

- oversight and approval of each annual statement by external consultants (if the estimate was prepared internally) or responsible senior officers;
- establishment of internal procedures and controls to meet JORC Code 2012 compliance in all external reporting;
- independent review of new and materially changed estimates;
- annual reconciliation with internal planning to validate reserve estimates for operating mines.

Competent Persons retained by the Company are members of the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and qualify as Competent Persons as defined in the JORC Code 2012.

Competent Persons Statements – Mt Boppy and Wonawinta

The information in this report that relates to Mt Boppy Mineral Resources is based on, and fairly represents, information and supporting documentation prepared by Mr Ian Taylor, who is a Certified Professional by The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Pty Ltd. Mr Taylor has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Taylor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

This report includes information that relates to Mt Boppy Mineral Resources which were prepared and first disclosed under JORC Code 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in the July 2022 market announcement and, in the case of reporting of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

This report includes information that relates to Wonawinta Mineral Resources which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's ASX announcement dated 1 April 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the April 2021 market announcement and, in the case of reporting of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement – Taranaki VTM Project (New Zealand)

The information in this release that relates to Exploration Targets, Exploration Results or Mineral Resources for the Taranaki VTM Project (New Zealand) is based on information compiled by Mr Alan J Eggers, a Competent Person who is a Corporate Member of the Australasian Institute of Mining and Metallurgy ("AusIMM") and the Australian Institute of Geoscientists ("AIG"). Alan Eggers is a professional geologist, a full-time employee of Wesmin Corporate Pty Ltd, executive chairman of Trans-Tasman Resources Limited and an executive director of Manuka Resources Ltd. Mr Eggers has sufficient experience that is relevant to the style of mineralisation and type of mineral deposits being reported on in this release and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("JORC Code 2012 Edition"). The information provided in this report announcement is an accurate representation of the available data and studies of the Taranaki VTM Project. Mr Eggers consents to the inclusion in the release of the information on Exploration Targets, Exploration Results or Mineral Resources based on his information in the form and context in which it appears.

Directors' Report

The Directors of Manuka Resources Ltd ('Manuka Resources') present their report together with the financial statements of the Entity or the Group, being Manuka Resources ('the Company') and its subsidiaries Mt Boppy Resources Pty Ltd ('Mt Boppy') and Trans-Tasman Resources Ltd ('TTR') for the year ended 30 June 2023.

Manuka Resources Limited is a company limited by shares and incorporated in Australia on the 20th of April 2016.

Director details

The following persons were Directors of Manuka Resources during or since the end of the financial period and up to the date of this report:

- Mr Dennis Karp
- Mr Anthony McPaul
- Mr Alan Eggers (appointed 10 November 2023)
- Mr John Seton (appointed 10 November 2023)
- Mr Nicholas Lindsay (resigned 24 November 2023)

The Directors' qualifications, experience and directorships held in listed companies at any time during the last three years, are set out in the Remuneration Report on pages 30 to 38.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of Manuka Resources Limited were:

	Ordinary Shares	Options over Ordinary Shares
Mr Dennis Karp	91,814,557	500,000
Mr Alan Eggers	60,812,616	12,000,000
Mr Anthony McPaul	-	300,000
Mr John Seton	49,941,020	9,596,635
Dr Nicholas Lindsay	-	300,000

Company Secretary details

Ms Toni Gilholme

Company Secretary since 20th April 2016

Ms Toni Gilholme is an experienced Chartered Accountant with over 20 years of experience in Financial Accounting and Company Secretarial matters and over 10 years of experience in Public Practice.

Ms. Gilholme holds a Bachelor of Business from the University of Technology, Sydney and is a qualified Chartered Accountant.

Principal activities

During the period, the principal activities undertaken by the Group were:

- Conclusion of the trial phase of silver oxide stockpile processing at the Wonawinta Silver Project and commencement of mine planning studies for Wonawinta.
- Development and Implementation of a program to process mineralised gold material from Mt Boppy (Mt Boppy Stockpile Reprocessing) including:
    - Completion of the bulk sampling phase for evaluation of the project economics
    - Commissioning of the Wonawinta Plant to commence production of screened Mt Boppy material
- A comprehensive review of all exploration prospects
- Completion of the acquisition of Trans-Tasman Resources Limited

Review of operations

Information on the operations and financial position of the group and its business strategies and prospects is set out in the review of operations on pages 6 to 19 of this annual report.

Significant changes in state of affairs

During the year there have been no significant changes in the state of affairs of the Group other than:

- **Secured debt facility extension and issuance of options**

  During the period, the Company successfully negotiated to extend the term of the secured debt facility to 30 September 2023.[21] The extension has been granted on existing terms and rates with no extension penalties or cash fees. The Company has resolved at a Board meeting held 29th September 2022 to grant the issue of 5Million options with an exercise price based on the 5-day VWAP plus a 10% premium. Since the end of the period a further extension has been negotiated to 30 September 2024. Refer Note 19.2(b).

- **Maiden vanadium resource at Taranaki VTM Project (New Zealand)**

  In March 2023, the Company released its maiden Vanadium Resource for the Taranaki VTM Project in New Zealand[22], making it one of the largest aspiring vanadium producers on the ASX. The company will commission additional metallurgical test work to optimise the flowsheet for processing of the VTM concentrate to confirm economic recovery of vanadium as a separate product stream (this test work will be scoped to target >70% recoverable metal). Revenue derived from vanadium pentoxide (V_2O_5) (either as co-product or separate product) and potentially titanium dioxide (TiO_2) sales would provide material by-product credits to further offset already low iron ore operating expenses. The Project has already secured a 50Mtpa mining licence (MP55581) with an initial 20 year mine life proposed with a bankable feasibility study (BFS) already commenced. MP55581 is located within New Zealand's EEZ.

- **Wonawinta Silver Project**

  A trial phase of silver stockpile which was undertaken to obtain valuable processing and metallurgical data to better inform mine planning for the oxide silver resource at Wonawinta was concluded in March 2023.

[21] Refer ASX release dated 24 August 2022
[22] Refer ASX announcement 1 March 2023

- **Strategic Exploration Review**

  On 14 February 2023, the Company announced the completion of its Strategic Exploration Review highlighting near-mine resource upside. The Review provides Manuka with the exploration plan to add significant resources of Gold, Silver, Copper and other Base Metals and included a comprehensive review of over 30 years of geophysical data and reports that has defined new targets and information gaps which will further define exploration tools and strategy.

- **Mt Boppy stockpile reprocessing project and recommencement of gold processing**

  As a result of the Strategic Exploration Review, the Company commenced screening previously classified barren overburden in April 2023 and commenced hauling to the Wonawinta plant for processing in May 2023 with gold processing through the plant commencing in June 2023[23]. Gold sales commenced subsequent to year with first sale on 26 July 2023.

Dividends

No dividends were paid or declared during the financial year ended 30 June 2023 (2022: Nil) and no recommendation is made as to dividends.

Events arising since the end of the reporting period

- **Further Extension of Secured Debt Facility**

  Since the end of the reporting period, the Company successfully negotiated to extend the term of the secured debt facility to 30 September 2024. The extension has been granted on existing terms and rates with no extension penalties or cash fees. The Company has resolved at a Board meeting held 19 September 2023 to grant the issue of 25Million options in four tranches with an exercise price based on the 5-day VWAP plus a 10% premium.

- **Mt Boppy Resource Update[24]**

  The Company released a Mt Boppy Gold Project Resource Upgrade showing a 357% increase in contained ounces. The mineral resource estimate for Mt Boppy is contained within:
  - in situ rock dumps and tailings depositories, with in situ gold grades derived from bulk sampling material derived from mechanically pitting and trenching to 2-3m depth and screening +200, -200+20, +8-20, and -8mm size fractions, with cone measurements to ascertain mass % distribution and total volume treated.
  - an open cut pit shell that reaches a depth of 215m below surface at the southern end of the Mt Boppy deposit. Resources were reported July 2022 with respect to the current pit design. Material within the pit design is reported at a 1.6 g/t Au cut off and material below the pit design is reported to a 3.0 g/t Au cut off. The open cut is currently flooded and inaccessible for mining. Dewatering and a sidewall pushback is necessary to access and mine these resources.
  - a grade shell modelled at a 1.6 g/t cut off over the Boppy South mineral zone. This prospect still requires final drilling and evaluation before assessing establishing a small opencast.

[23] Refer ASX release date 15 June 2023
[24] Refer ASX announcement dated 25 August 2023

-

Resource Category	Tonnes	Grade	Contained gold
		g/t Au	Troy ounces
Measured	107	5.25	18.0
Indicated	605	3.01	58.5
Inferred	1,770	1.47	83.6
Total	**2,482**	**2.01**	**160.1**

Table 6: Mt Boppy Resource Update per ASX release 25 August 2023

*The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. Due to rounding to appropriate significant figures, minor discrepancies may occur. All tonnages reported are dry metric.

Apart from the matters noted above, there are no other matters or circumstances that have arisen since the end of the period that has significantly affected or may significantly affect either:

- the Group's operations in future financial years;
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Likely developments

Processing of the screened gold material through the Wonawinta plant commenced in July 2023 and is forecast to continue for four to five years. The company has commenced discussions with a number of parties with the intention of refinancing the existing current debt facilities.

Further information on the likely developments of the group and its business strategies and prospects is set out in the review of operations on pages 6 to 19 of this annual report.

Directors' meetings

The number of meetings of the Company's Board of Directors ("The Board") (including meetings of Committees of Directors where appointed) held during the period and the number of meetings attended by each Director is as follows:

	Board Meetings	
Board Member	**A**	**B**
Dennis Karp	16	16
Alan Eggers	12	12
Anthony McPaul	16	14
John Seton	12	12
Nicholas Lindsay	4	4

Where:
column A: is the number of meetings the Director was entitled to attend
column B: is the number of meetings the Director attended

During the period and having regard to the size of the Company and the nature of its activities and the composition and structure of the Board, the full Board has the responsibility for and performs the functions of all Committees.

Corporate Governance Statement

For the financial year ended 30 June 2023 (**Reporting Period**) the Company has adopted the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council. The Company's 2023 Annual Corporate Governance Statement has been approved by the Board and is publicly available on the Company's website at www.manukaresources.com.au/site/about/corporate-governance. It will also be released to the ASX at the same time as this 2023 Annual Report.

Unissued shares under option

Unissued ordinary shares of Manuka Resources under option at the date of this report are:

Date Options Granted	Expiry Date	Exercise Price of Shares $	Number under option
Sep 2021	30th Sep 2023	$0.32	5,000,000
Jan 2022	11th Jan 2024	$0.50	1,100,000
Sep 2022	30th Sep 2024	$0.16	5,000,000
Dec 2022	31st Dec 2024	$0.35	12,000,000
Dec 2022	16th Dec 2025	$0.17	19,571,419
Dec 2022	15th Dec 2024	$0.11	4,000,000
Mar 2023	31st Mar 2025	$0.08	4,000,000
Apr 2023	31st Dec 2023	$0.13	19,034,266
Apr 2023	19th Apr 2023	$0.25	2,000,000
June 2023	30th June 2025	$0.06	4,000,000

No shares were issued during or since the end of the year as a result of exercise of the options.

Material business risks

Operational risks

The operations of the Company may be affected by various factors many of which are beyond the control of the Company, including failure to locate or identify additional mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and/or operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

Nature of mineral exploration and mining

The business of mineral exploration, development and production is subject to a number of material risks. The success of the Company's business depends, amongst other things, on successful exploration and/or acquisition of reserves, securing and maintaining title to tenements and consents, successful design, construction, commissioning and operation of mining and processing facilities, successful development and production in accordance with expectation and successful management of the operations. Exploration and mining are speculative undertakings which may be hampered by force majeure events, land claims and unforeseen mining and/or mechanical problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Company's current or planned processing activities will continue or commence, as applicable, as expected.

Commodity price volatility

As the Company's revenues are primarily derived from the sale of precious metals, any future earnings generated by the Company will be closely related to the market prices for precious metals (which can vary materially during short periods of time). Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include supply and demand fluctuations for precious and base metals, forward selling by major producers, and production cost levels in major gold and silver producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the precious metals as well as general global economic conditions. These factors may also have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Currency volatility

International prices of various commodities, including gold and silver, are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken in account in Australia dollars, consequently exposing the Company to fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined by the international markets.

Financial indebtedness risk

The Company manages its various financial obligations by preparing detailed cash flow forecasts and monitoring actual cash flows. However, the Company's ability to service its various financial obligations may be impaired by the occurrence of any number of factors. In such circumstances and if the Company were unable to obtain sufficient alternative funding, its creditors would be able to exercise their security over the Company's assets or pursue alternative remedies any of which would likely have a material adverse effect on the Company's financial condition, prospects and ability to continue as a going concern.

Environmental legislation

The operations of Manuka Resources Limited are subject to a number of particular and significant environmental regulations under a law of the Commonwealth or of a State or Territory in Australia and in New Zealand.

All conditions governing the administration of various environmental and tenement licences have been complied with. So far as the Directors are aware there has been no known breach of the Group's licence conditions and all activities comply with relevant environmental regulations. The Directors are not aware of any environmental regulation which is not being complied with.

Sustainability

The Company is committed to accepting accountability for its sustainability performance and to this end has approved a number of actions. The renamed Audit, Risk & Sustainability Sub-Committee specifically highlights the importance of focusing on sustainability performance, and the Board Charter has been amended accordingly. The Company is in the process of reviewing and updating all polices targeting activities which may have environmental and social impacts. At an operational level, all capital expenditure requests now require an additional assessment of environmental, social and governance factors.

The Company has published its Sustainability Statement, highlighting our priorities and commitments, including a commitment to align to the United Nations' SDG's (Sustainable Development Goals).

An important consideration in addressing potential impacts is ensuring we are engaged with all our relevant stakeholders. We continue to review our internal stakeholder materiality impact assessment and plan to broaden this over the next year to include better engagement with key stakeholders.

Remuneration report (audited)

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*. The remuneration report sets out remuneration information for the Company's Executive Director, Non-Executive Directors and other Key Management Personnel ("KMP"). The report contains the following sections:

a) Key Management Personnel disclosed in this report;
b) Remuneration policy;
c) Performance-based remuneration;
d) Company performance, shareholder wealth and directors' and executives' remuneration;
e) Use of remuneration consultants;
f) Details of remuneration;
g) Service agreements;
h) Share-based compensation;
i) Equity instruments held by Key Management Personnel; and
j) Other transactions with Key Management Personnel.

a) Key Management Personnel disclosed in this report

Directors

The following persons were Directors of Manuka Resources Ltd during or since the end of the financial period and up to the date of this report:

- Mr Dennis Karp
- Mr Alan Eggers (appointed 10 November 2022)
- Mr Anthony McPaul
- Mr John Seton (appointed 10 November 2022)
- Mr Nicholas Lindsay (resigned 24 November 2022)

Other Key Management Personnel

- Haydn Lynch, Chief Operations Officer

There have been no changes to directors or KMP since the end of the reporting period. Details of the equity instruments in which Directors have an interest are outlined in paragraph (i) below.

Mr Dennis Karp

Executive Chairman
Director since 20th April 2016, Executive Chairman since 1 March 2020

Mr Karp commenced his career in the Australian financial markets in 1983. He was the Head of Trading at HSBC Australia prior to joining Tennant Limited in 1997, a substantial Australian domiciled physical commodity trading company with operations in Asia and Europe. He was a principal shareholder of Tennant Metals until 2010 and managing director from 2000 until December 2014. Mr Karp founded ResCap Investments Pty Ltd in December 2014.

Over the past 11 years, Mr Karp has been involved in various resource projects and investment opportunities in base metals and bulk commodities which have had marketing rights attached.

Mr Karp holds a Bachelor of Commerce from the University of Cape Town. Mr Karp does not hold any current and has not held any former directorships in other listed companies in the last 3 years.

Mr Alan Eggers

Executive Director
Director since 10 November 2022, Executive Director since 1 February 2023

Alan is a geologist with over 40 years of local & international experience. He brings with him exceptional commercial expertise and was a founding director of Summit Resources Limited which they built from listing on the NZX in 1987 into an ASX top 200 company and an ultimate takeover by Paladin Energy for A$1.2B in 2007. He holds a number of private directorships.

Alan holds Bachelor of Science, Honours and Masters of Science degrees from Victoria University of Wellington. He's a Fellow of the Society of Economic Geologists, a Member of AusIMM and the Australian Institute of Geoscientists.

Mr Anthony McPaul

Non-executive Director
Director since 25th November 2016

Mr Anthony McPaul is a senior mining executive with over 40 years' experience in mining operations and mineral processing. Mr McPaul has worked in and led both open cut and underground operations and was most formerly the general manager for Newcrest's Cadia Valley Operations, in Orange NSW.

Mr McPaul commenced his career as an automotive engineer and progressed to maintenance and then onto operations management at various companies, including CRA, Denehurst, MIM and more recently Newcrest. He has successfully managed a wide range of operating projects from base through to precious metals in both surface and underground mines and has been directly responsible for all aspects of production and scheduling.

Mr McPaul formally retired from Newcrest in July 2016 and has since devoted his time to non-executive and contract roles. Mr McPaul has represented Newcrest and the resources industry on many boards, such as NSW Minerals Council, NSW Minerals Council Executive Committee, and was the NSW Minerals Council representative on the Mine Safety Advisory Council. Mr McPaul has chaired many of these committees.

Mr McPaul is the former Chairman of the NSW Minerals Council Board and Executive Committee and a former member of the Mineral Industry Advisory Council.

Mr McPaul has formal qualifications in automotive engineering from Goulburn TAFE. Mr McPaul does not hold any current and has not held any former directorships in other listed companies in the last three years.

Mr John Seton

Non-executive Director
Director since 10 November 2022

John is an Auckland based lawyer with extensive experience in commercial law and the mineral resources sector. He was a director of Summit Resources Limited until its sale in 2007, as well as being a director of a number of other ASX and NZX listed companies and various private companies. He was a former Chairman of the Vietnam/New Zealand Business Council.

John holds a Bachelor of Laws from Victoria University, Wellington, and a Masters of Law (Honours) from the University of Auckland and is a Chartered Fellow of the New Zealand Institute of Directors.

Mr Seton has held the following Directorships in other listed companies in the 3 years immediately before the end of the financial year:

- Manhattan Corporation Limited (ASX: MHC)
- Besra Gold Inc (ASX: BEZ), Director since August 2011
- Good Spirits Hospitality Limited (NZX: GSH)
- Tomizone Limited (formerly listed on ASX: TOM)

Dr Nicholas Lindsay

Non-executive Director
Director since 20th June 2019, resigned 24 November 2022

Dr Nicholas Lindsay is an experienced mining executive who brings an attractive mix of commercial, technical and academic qualifications, all of which are relevant to the Company. He has worked directly for a range of major and mid-tier mining companies over his career, and led juniors in copper, gold and silver though listings and mergers. Dr Lindsay is a geologist by profession, specialising in process mineralogy, and has postgraduate degrees from the University of Otago (NZ), the University of Melbourne and the University of the Witwatersrand (South Africa). He is a member of the Australian Institute of Geoscientists. Mr Lindsay has held the following Directorships in other listed companies in the 3 years immediately before the end of the financial year:

- Lake Resources NL - Executive Technical Director (ceased 28 November 2022)
- Valor Resources Ltd - Chief Executive Officer and Executive Director – Technical (ceased October 2020)
- Daura Capital Corp. - Non-Executive Director (ceased September 2020)

Mr Lindsay resigned effective from 24 November 2022.

b) Remuneration policy

The remuneration policy of Manuka Resources Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The board of Manuka Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group.

The board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives (if any), was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation. The board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.
- The board exercises its discretion in relation to approving incentives, bonuses and options. The policy is designed to attract and retain the highest calibre of executives and reward them for performance that results in long term growth in shareholder wealth.
- Executives are also entitled to participate in the employee share and option arrangements.
- The executive directors and executives (if any) receive a superannuation guarantee contribution required by the government, which was 10.5% for the 2023 financial year (2022: 10%) payable on earnings up to the maximum contribution base of $60,220 per quarter (2022: $58,920 per quarter), and do not receive any other retirement benefits. Some individuals may choose to sacrifice part of their salary to increase payments towards superannuation.
- All remuneration paid to directors and executives is valued at the cost to the Group and expensed. The cost of share-based payments is measured by reference to the fair value at the date at which they are granted using an option pricing model.
- The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment, and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting (currently $240,000). Fees for non-executive directors are not linked to the performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

c) Performance-based remuneration

The Group currently has no formal performance-based remuneration component built into key management personnel remuneration packages. Remuneration and discretionary share based payments are issued to align the Directors' interest with that of shareholders.

d) Company performance, shareholder wealth and directors' and executives' remuneration

Whilst no formal policy exists, remuneration is tailored to increase the direct positive relationship between shareholders' investment objectives and key management personnel performance. Currently, this is facilitated through the issue of options to the majority of key management personnel to encourage the alignment of personal and shareholder interests. The Group believes this policy will be effective in increasing shareholder wealth.

The table below shows the gross revenue, profits and (losses) and earnings per share for the last five financial periods for the listed entity.

	2023	2022	2021 Restated **	2020 Restated **	2019 Restated *
	$	$	$	$	$
Revenue and other income	9,899,903	53,271,499	44,544,455	9,468,320	-
Net profit / (loss)	(26,342,019)	5,281,420	(3,074,177)	(3,884,45)	(5,428,238)
Profit / (loss) per share (cents) *	(6.15)	1.92	(1.19)	(2.80)	(4.08)
Share price	$0.05	$0.17	$0.32	n/a	n/a

No dividends have been paid during the financial years ended 30 June 2019 to 30 June 2023.

* In accordance with AASB 133 paragraph 26, the weighted average number of shares outstanding during the period and for all periods presented shall be adjusted for events (such as a share consolidation) that have changed the number of shares outstanding without a corresponding change in resources. As a result, the share consolidation which occurred on 11th May 2020 has been applied to the full financial year ended 30 June 2020 and all the previous reporting periods.

** The amounts shown for 2020 and 2021 have been restated in relation to a correction of the movement and valuation of Rehabilitation Provisions, Development Assets and Environmental Bonds. The impact of the restatement on the statement of comprehensive income, was a decrease of $668,408 for the period ended 30 June 2021 and an increase for the period ended 30 June 2021 of $489,475.

e) Use of remuneration consultants

The Group did not employ the services of any remuneration consultants during the financial year ended 30 June 2023 (2022: None).

f) Details of remuneration

Details of the remuneration of the key management personnel of the Group are set out in the following table.

	Fixed Remuneration				Variable Remuneration	
	Salary/ Directors Fee $	Non-Monetary Benefits $	Accrual for Annual and Long Service Leave $	Superannuation $	Options $	Total $
Directors						
Dennis Karp						
2023	$350,000	-	$27,027	$25,292	-	$402,319
2022	$343,300	-	$27,027	$22,885	$31,690	$424,902
Alan Eggers[25]						
2023	$138,998	-	-	-	-	$138,998
Anthony McPaul[26]						
2023	$65,007	-	-	-	-	$65,007
2022	$55,004	-	-	-	$19,014	$74,018
John Seton[27]						
2023	$45,154	-	-	-	-	$45,154
Nick Lindsay[28]						
2023	$27,086	-	-	-	-	$27,086
2022	$55,004	-	-	-	$19,014	$74,018
Other KMP (Group)						
Haydn Lynch						
2023	$244,708	-	$18,897	$25,292	-	$288,897
2022	$278,105	-	$18,741	$22,743	-	$319,589
Total KMP remuneration expensed						
2023	$870,953	-	$45,924	$50,584	-	$967,461
2022	$731,413	-	$46,768	$45,628	$69,718	$892,527

[25] Director fees for Mr Eggers are paid into a Company nominated by Mr Eggers
[26] Director fees for Mr McPaul are paid into a Company nominated by Mr McPaul.
[27] Director fees for Mr Seton are paid into an entity nominated by Mr Seton.
[28] Director fees for Mr Lindsay are paid into a Company nominated by Mr Lindsay.

g) Service agreements

The details of service agreements of the key management personnel of the Group are as follows:

Dennis Karp, Executive Chairman:

(a) Mr Karp was appointed Executive Chairman on 1 March 2020 at an annual salary of $240,000 (exclusive of superannuation) plus any Compulsory Superannuation. This was increased effective 1 January 2022 to $350,000 plus any Compulsory Superannuation; and

(b) The agreement is ongoing until terminated in accordance with the agreement. Mr Karp may terminate the agreement by giving 12 weeks' notice in writing to the Company and the Company may terminate the agreement (without cause) by giving Mr Karp 12 weeks' written notice or by making payment in lieu of notice.

Alan Eggers, Executive Director:

(b) Mr Eggers was appointed Executive Director on 1 February 2023 at an annual consultancy fee of $240,000 inclusive of any Compulsory Superannuation, exclusive of any GST; and

(c) The agreement is ongoing until terminated in accordance with the agreement. Mr Eggers may terminate the agreement by giving 3 months' notice in writing to the Company and the Company may terminate the agreement (without cause) by giving Mr Eggers 3 months' written notice or by making payment in lieu of notice.

Haydn Lynch, Chief Operations Officer:

(a) Mr Lynch was appointed Chief Operating Officer on 1 July 2019 at annual salary of $240,000 (inclusive of superannuation). This was increased effective 1 January 2022 to $270,000 inclusive of any Compulsory Superannuation; and

(b) The agreement is ongoing until terminated in accordance with the agreement. Mr Lynch may terminate the agreement by giving 12 weeks' notice in writing to the Company and the Company may terminate the agreement (without cause) by giving Mr Lynch 12 weeks' written notice or by making payment in lieu of notice.

Anthony McPaul, Non-executive Director:

Mr McPaul has entered into service agreements with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. Annual remuneration is $65,000 per annum effective 1 January 2022 (previously $45,000 per annum), with additional fees payable where the Board determines special duties, or services outside the scope of the of the ordinary duties of a NED, have been performed. Remuneration is subject to annual review by the Board and reasonable notice of an intention to resign or to not seek re-election should be given to the Company.

John Seton, Non-executive Director:

Mr Seton has entered into service agreements with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. Annual remuneration is $65,000 per annum effective 1 January 2022 (previously $45,000 per annum), with additional fees payable where the Board determines special duties, or services outside the scope of the of the ordinary duties of a NED, have been performed. Remuneration is subject to annual review by the Board and reasonable notice of an intention to resign or to not seek re-election should be given to the Company.

Nicholas Lindsay, Non-executive Director:

Mr Lindsay entered into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director. Annual remuneration is $65,000 per annum effective 1 January 2022 (previously $45,000 per annum), with additional fees payable where the Board determines special duties, or services outside the scope of the of the ordinary duties of a NED, have been performed. Remuneration is subject to annual review by the Board and reasonable notice of an intention to resign or to not seek re-election should be given to the Company. Mr Lindsay resigned effective from 24 November 2022.

h) Share-based compensation

Shares

No shares have been granted as remuneration during the period.

Options

Options are issued to key management personnel as part of their remuneration. The options are not issued based on performance criteria but are issued to the majority of key management personnel of Manuka Resources Limited to increase goal congruence between key management personnel and shareholders. There were no options granted to or vesting with key management personnel during the year.

No ordinary shares in the Company have been provided as a result of the exercise of remuneration options to each director of Manuka Resources Limited and other key management personnel of the Group during the year.

i) Equity instruments held by Key Management Personnel

Shareholdings

The numbers of shares in the Company held during the financial year by each director of Manuka Resources Limited and other key management personnel of the Group, including their related parties, and any nominally held, are set out below. There were no shares granted during the reporting period as compensation.

	Note	Balance at start of the year	Received during the year on the exercise of Options	Other changes during the year	Balance at end of the year
Directors					
Dennis Karp	a	91,814,557	-	(43,994,625)	47,819,932
Alan Eggers	b	-	-	60,812,616	60,812,616
Anthony McPaul		-	-	-	-
John Seton	b	-	-	49,941,020	49,941,020
Nicholas Lindsay		-	-	-	-
Other KMP					
Haydn Lynch	a	-	-	3,991,629	3,991,629

(a) Shares were allocated in species by ResCap Investments Pty Ltd to its shareholders[29].
(b) Shares were issued as part of the acquisition of TTR – refer Note 22 for details.

[29] Refer ASX announcement 6 January 2023

Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Manuka Resources Limited and other key management personnel of the Group, including their personally related parties, and any nominally held, are set out below.

	Note	Balance at start of the year	Granted as compen-sation	Other changes	Balance at end of the year	Vested and exercisable	Unvested
Directors							
Dennis Karp	a	2,000,000	-	(1,500,000)	500,000	500,000	-
Alan Eggers	b	-	-	12,000,000	12,000,000	12,000,000	-
Anthony McPaul	a	1,800,000	-	(1,500,000)	300,000	300,000	-
Nicholas Lindsay	a	1,800,000	-	(1,500,000)	300,000	300,000	-
Other KMP							
Haydn Lynch	a	1,500,000	-	(1,500,000)	-	-	-

(a) Options expired 17th April 2023[30].
(b) Options were issued as part of the acquisition of TTR – refer Note 22 for details.

No options were exercised during the period (2022: Nil). All vested options are exercisable.

Details of options held by Directors are as follows:

- **Exercise price of 50 cents, expiry 11 January 2024**

Directors	# options held
Dennis Karp	500,000
Anthony McPaul	300,000
Nicholas Lindsay	300,000

- **Exercise price of 35 cents, expiry 31 December 2024**

Directors	# options held
Alan Eggers	12,000,000

j) Other transactions with Key Management Personnel

- Rescap Investments Pty Ltd - A director, Mr Dennis Karp, is a director of, and holds a controlling interest in, ResCap Investments Pty Ltd ("ResCap"). The Group has borrowing arrangements with ResCap.

- Minvest Securities (New Zealand) Limited – A directors, Mr Alan Eggers, is a Director of and holds a controlling interest in, Minvest Securities (New Zealand) Limited ("Minvest"). Trans-Tasman Resources Ltd had borrowing arrangements with Minvest which were repaid in March 2023.

Aggregate amounts of each of the above types of other transactions with key management personnel of Manuka Resources Limited:

	30 June 2023 $	30 June 2022 $
Details of related party transactions with ResCap through the loan facility:		
- interest charged on loan	186,255	29,184

30 Refer ASX announcement 19 April 2023

Details of balances with related parties:		
Balance of loan with Manuka Resources Ltd		
- payable to ResCap Investments Pty Ltd	1,216,714	909,959
Details of related party transactions with Minvest through the loan facility:		
- interest charged on loan	17,062	-
Details of balances with related parties:		
Balance of loan with Trans-Tasman Resources Ltd		
- payable to Minvest Securities (New Zealand) Ltd	-	-

End of audited Remuneration Report

Indemnities given to, and insurance premiums paid for, auditors and officers

During the period, Manuka Resources has paid a premium to insure officers of the Company. The officers of the Company that are covered by the insurance policy includes all directors and key management personnel.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Company.

The Company has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer of the Company against a liability incurred as such by an officer.

The Company has agreed to indemnify its auditors, Ernst & Young, to the extent permitted by law, against any claim by a third party arising from the Company's breach of its agreement. The indemnity requires the Company to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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.

No proceedings have been brought, or intervened in, on behalf of the company with leave of the court under section 237 of the *Corporations Act 2001.*

Audit and non-audit services

Details of the amounts paid or payable to the auditor (Ernst & Young) for audit and non-audit services during the year are disclosed in Note 9.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

There were no non-audit services during the financial year ended 30 June 2023.

Auditor’s Independence Declaration

A copy of the Auditor’s Independence Declaration as required under s.307C of the *Corporations Act 2001* is included on the following page of this financial report and forms part of this Directors’ Report.

Signed in accordance with a resolution of the Directors.

Dennis Karp
Executive Chairman
Dated the 29th day of September 2023

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Manuka Resources Limited

As lead auditor for the audit of the financial report of Manuka Resources Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Manuka Resources Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
29 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	30 June 2023 $	30 June 2022 $
Sales revenue	5(a)	9,899,903	53,271,499
Cost of sales	6(a)	(24,324,548)	(41,244,405)
Operating profit		**(14,424,645)**	**12,027,094**
Other income	5(b)	481,720	304,621
Other expenses	6(c)	(8,092,485)	(2,540,079)
Share based payment expense	6(e)	-	(69,718)
Foreign exchange gains / (losses)	6(f)	(544,183)	(1,025,343)
Profit /(loss) before finance expenses		**(22,579,593)**	**8,696,575**
Finance expenses	7	(3,762,426)	(3,415,155)
Profit / (loss) before income tax		**(26,342,019)**	**5,281,420**
Income tax expense	8		-
Profit / (loss) for the period attributable to members of Manuka Resources Limited		**(26,342,019)**	**5,281,420**
Other comprehensive income		40,160	6,297
Total comprehensive income		**40,160**	**6,297**
Total comprehensive profit / (loss) for the year attributable to members of Manuka Resources Limited		**(26,301,859)**	**5,287,717**
Profit / (loss) per share for loss attributable to the ordinary equity holders of the Company			
Basic profit /(loss) per share (cents per share)	25	(6.15)	1.92
Diluted profit /(loss) per share (cents per share)[31]	25	(6.15)	1.61

This statement should be read in conjunction with the notes to the financial statements.

[31] As the Group made a loss for the year ended 30 June 2023, none of the potentially dilutive securities were included in the calculation of diluted earnings per share for that year. These securities could potentially dilute basic earnings per share in the future.

Consolidated Statement of Financial Position

As of 30 June 2023

	Notes	30 June 2023 $	Restated[32] 30 June 2022 $
Assets			
Current			
Cash and cash equivalents	11	265,833	1,160,615
Trade and other receivables	12	685,660	430,582
Inventories	14	2,307,345	2,889,123
Prepayments	13	404,429	770,552
Other financial assets	19.3	186,000	186,000
Total current assets		**3,849,267**	**5,436,872**
Non-current			
Mine properties and development assets	15	638,743	4,371,830
Exploration and evaluation assets	16	35,200,653	8,457,839
Property, plant and equipment	17	15,645,937	16,403,110
Right of use asset	18	233,987	374,641
Other financial assets	19.3	5,937,068	6,552,225
Total non-current assets		**57,656,388**	**36,159,645**
Total assets		**61,505,655**	**41,596,517**
Liabilities			
Current			
Trade and other payables	20	7,138,892	6,242,625
Provisions	21	643,823	628,315
Contract liabilities		968,646	62,183
Borrowings	19.2	24,524,576	13,053,251
Lease liabilities	18	147,233	124,901
Current liabilities		**33,423,170**	**20,111,275**
Non-current			
Provisions	21	7,773,532	7,594,510
Lease liabilities	18	111,807	259,040
Borrowings	19.2	255,172	57,927
Total non-current liabilities		**8,140,511**	**7,911,477**
Total liabilities		**41,563,681**	**28,022,752**
Net assets / (deficit)		**19,941,974**	**13,573,765**

This statement should be read in conjunction with the notes to the financial statements.

[32] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

	Notes	30 June 2023 $	30 June 2022 $
Equity			
Share capital	23	57,038,387	25,771,113
Share based payment reserve	26	4,242,049	2,839,254
Other reserves		40,160	-
Accumulated losses		(41,378,622)	(15,036,602)
Total equity		**19,941,974**	**13,573,765**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

	Notes	Share Capital	Share-based payment reserve	Other reserves	Accumulated losses	Total equity
		$	$	$		$
Balance at 1 July 2021		**21,512,355**	**1,486,077**	**(6,297)**	**(20,318,023)**	**2,674,112**
Profit for the period		-	-	-	5,281,420	5,281,420
Other comprehensive profit		-	-	6,297	-	6,297
Total comprehensive loss for the period		**-**	**-**	**6,297**	**5,281,420**	**5,287,717**
Contribution of equity		5,000,000	-	-	-	5,000,000
Share based payments		-	1,353,177	-	-	1,353,177
Share issue costs		(741,242)	-	-	-	(741,242)
Balance at 30 June 2022		**25,771,113**	**2,839,254**	**-**	**(15,036,603)**	**13,573,764**
Loss for the period		-	-	-	(26,342,019)	(26,342,019)
Other comprehensive loss		-	-	40,160	-	40,160
Total comprehensive loss for the period		**-**	**-**	**40,160**	**(26,342,019)**	**(26,301,859)**
Contribution of equity		32,230,650	-	-	-	32,230,650
Share based payments	26	-	1,402,795	-	-	1,402,795
Share issue costs		(963,376)	-	-	-	(963,376)
Balance at 30 June 2023		**57,038,387**	**4,242,049**	**40,160**	**(41,378,622)**	**19,941,974**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Notes	2023 $	2022 $
Operating activities			
Receipts from customers		10,438,991	53,537,741
Payments to suppliers and employees		(24,774,078)	(43,023,213)
Other income		430,356	302,461
Finance costs paid		(615,169)	(2,465,743)
Net cash from operating activities	24	**(14,519,900)**	**8,351,246**
Investing activities			
Acquisition of property, plant and equipment		(607,782)	(6,903,932)
Sale of property, plant and equipment		301,818	225,128
Payments for development and exploration assets		(657,949)	(1,974,742)
Acquisition of other assets		(244,133)	-
Sale of other assets		-	92,345
Net cash (used in) investing activities		**(1,208,046)**	**(8,561,201)**
Financing activities			
Proceeds from borrowings		12,965,814	375,680
Repayments of borrowings		(4,249,031)	(4,560,884)
Repayment of lease liabilities		(130,173)	(133,071)
Proceeds from issues of ordinary shares	23.1	6,508,097	5,000,000
Costs of issue of ordinary shares		(261,543)	(329,190)
Net cash from financing activities		**14,833,164**	**352,535**
Net change in cash and cash equivalents		(894,782)	142,580
Cash and cash equivalents, at beginning of the period		1,160,615	1,018,035
Cash and cash equivalents, at end of period	11	**265,833**	**1,160,615**

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 Nature of operations and general information and statement of compliance

The principal activities of Manuka Resources Ltd comprise mine development, mining and processing of silver, gold and exploration activities.

During the financial year the Company's principal activities related to completion of the trial phase of silver oxide stockpile processing at the Wonawinta Silver Project and commencement of mine planning studies for Wonawinta which has yielded important metallurgical testwork data as well as operational changes, development and implementation of a program to process mineralised gold material from Mt Boppy (Mt Boppy Stockpile Reprocessing) including bulk sampling and commencement of screening and haulage of screened material. Field activities focused on a comprehensive review of all exploration prospects. In addition, during the period, the Company acquired the assets of Trans-Tasman Resources Ltd and is progressing the development of their Taranaki VTM Project (New Zealand).

The financial report includes the consolidated financial statements and notes of Manuka Resources Limited and its controlled entities, Mt Boppy Resources Pty Ltd and Trans-Tasman Resources Ltd (Consolidated Group or Group).

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. These include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures the that the financial report, comprising the financial statements and the notes, complies with International Financial Reporting Standards (IFRS). Manuka Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Manuka Resources Ltd is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Level 4, Grafton Bond Building, 201 Kent Street, Sydney, New South Wales.

The consolidated financial statements for the year ended 30 June 2023 were approved and authorised for issue by the Board of Directors on 29 September 2023. The directors have the power to amend and reissue the financial statements.

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

2 Changes in accounting policies

2.1 New and amended standards adopted

There were no new or amended standards applied for the first-time for the annual reporting period ended 30 June 2023.

2.2 Accounting standards and interpretations not yet effective

The following Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet completed a detailed review of these, however does not expect any of them to have a material impact on the financial results upon adoption.

Amendment to AAS Classification of Liabilities as Current or Non-Current
Amendments to AASB 108 Definition of Accounting Estimates
Amendments to AASB 1 and AASB Practice Statement 2 Disclosure of Accounting Policies
Amendments to AASB 112, Deferred Tax related to Assets and Liabilities from a Single Transaction
AASB 2022-5 Amendments to AASs – Lease Liability in a Sale and Leaseback with effective date 1 January 2024

3 Summary of accounting policies

3.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements have been prepared on a historical cost basis, except for the assets held for sale which are measured at fair value less cost of disposal. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

3.2 Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

During the financial year ended 30 June 2023, the Group generated operating loss of $14,424,645 (2022: profit of $12,027,094) and negative operating cash flows of $14,519,900 (2022: positive operating cash flows of $8,351,245). This was primarily driven by high production and operating costs at Wonawinta on a per ounce of silver produced basis, due to low volumes of ore through the plant arising from a number of factors including wet weather. In addition, the Group experienced a period of zero sales from March 2023 to July 2023 whilst the Group transitioned to gold processing from Mt. Boppy.

As a consequence, at 30 June 2023 the Group had $265,833 of cash on hand and remained in a net current liability position of $29,573,903 (2022: $14,674,403) due primarily to $24,524,576 in current debt. The most significant loan balance amounts to $14.4 million which was repayable at 30 September 2023 (however has been deferred subsequent to financial year end to 30 September 2024). In addition, the Company entered into a trade finance facility with rolling three month repayment requirements and has other short term loans due to related parties and asset backed funding which are repayable over September and October 2023. The Group also has current payables of $7,138,892, many of which were long dated or past due at year end.

Subsequent to year end, the Company has recommenced processing of Mt. Boppy gold with sales recommencing in late July 2023. This has ramped up in August, and proceeds from these sales have been used to repay a number of the long dated creditors and short-term loan facilities. Additionally, the Group has been managing its cash position though the negotiation of payment plans with creditors, the negotiation of loan repayment deferrals with lenders, and the use of an existing working capital facilities to manage short term cash flow needs. Importantly, the majority of the current debt balance has been successfully deferred, to allow time for the Group to refinance. A portion of the short-term loans have also been repaid using proceeds from gold sales.

The Directors, in their consideration of the appropriateness of the going concern basis for the preparation of the financial statements, have prepared cash flow projections for the period to 31 October 2024 that, in conjunction with the aforementioned debt refinance, supports the ability of the Group to continue as a going concern over the coming 12 month period. However, in order to repay its current liabilities in the timeframe required, these projections rely on the following:

- The ability to successfully find alternative financing arrangements to replace the existing current debt balances or agree to new/renegotiated terms with all current lenders. The Group is confident in their ability to complete this in a timely manner as the Group is currently in discussions in this regard.
- The ability to continue to negotiate further loan extensions or raise funds in the capital markets, to the extent that a debt restructure does not occur within the extension periods currently agreed. The Group has a history of successful deferrals and support from existing lenders.
- Continued management of the creditor book and repayment of long dated and past due creditors via proceeds from gold sales or the use of working capital/short term loan facilities as required.
- The ability of the Group to continue gold production (and by-product silver) profitably and consistently from Mt Boppy, in line with the Group's forecast gold prices, the cut-off grade, and the planned recoveries from known resources and stockpiles.

Should the Group be unsuccessful in achieving the matters set out above, a material uncertainty would exist that may cast significant doubt on the ability of the Group to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the ordinary course of business.

The Directors are confident that the above steps can be achieved based on:

- History of being able to successfully extend the current debt facilities, noting the facility with TransAsia Private Capital Limited (as disclosed in Note 14) has been successfully extended twice previously;
- The company has already commenced discussions with a number of parties with the intention of refinancing the existing current debt facilities;
- The level of support extended from key suppliers and creditors to date all of whom are displaying a strong interest in seeing the Company return to steady gold production;
- Historical ability to achieve significant profits from Mt Boppy ($12.8 million in net profit achieved in the 2022 fiscal period to 31 March 2022 being the end of gold processing) and the continued high gold prices;
- Successfully raising funds in the market should this be required, to fund mining activities as previously demonstrated with the raising of $4,110,000 in December 2022 and a further $2,398,000 in April 2023.

At the date of signing this report, the Directors have reasonable grounds to believe that due to the matters noted above and the actions taken that it is appropriate to prepare the financial statements on the going concern basis.

The financial statements do not include any adjustments that might be necessary to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report, should the Group not be able to continue as a going concern.

3.3 Basis of consolidation

The Group's financial statements consolidate those of the Parent Company and all of its subsidiaries at the end of the reporting period. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the date on which control is transferred to the Group, or up to the date that control ceases.

3.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the full Board of Directors. (Refer Note 4)

3.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Manuka Resources Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

3.6 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.7 Leases

At the date of commencement of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, if applicable, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group’s lease liabilities are included in Interest-bearing loans and borrowings (refer Note 19.1).

Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months of less from the commencement date and do not contain a purchase option). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.8 Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. The Company has one Key Customer which is a London Bullion Market Association (LBMA) Accredited Refinery. Sales revenue is recognised at the time of the Lock-in Contract. This is when goods are delivered and title and risk passes to the customer.

3.9 Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions. Government grants are recorded in other income.

3.10 Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service.

3.11 Exploration and evaluation expenditure
Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or by its sale where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned areas are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are transferred to mine properties and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site. A regular review for impairment is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Exploration expenditure which fails to meet at least one of the conditions outlined above is written off.

3.12 Property, plant and equipment

Property, plant, equipment, is stated at cost less accumulated depreciation and any impairment in value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation commences on assets when it is deemed they are capable of operating in the manner intended. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a revised useful life basis.

Asset	Depreciation rate
Freehold land – at cost	not depreciated
Computer Equipment:-	
- Laptops and mobile devices	2 years effective life (50%) – diminishing value
- Other Computer equipment	4 years effective life (25%) - diminishing value
Plant and Equipment	
Ball Mill Motor	25 years effective life (4%) - diminishing value
Other Pumps and Motors	20 years effective life (5%) - diminishing value
Generators	10 years effective life (10%) - diminishing value
Other	2-5 years effective life (20% to 50%) - diminishing value
Processing Plant	units of production

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.13 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets
For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- financial assets at amortised cost
- financial assets at fair value through profit or loss (FVPL)
- debt instruments at fair value through other comprehensive income (FVOCI)
- equity instruments at fair value through other comprehensive income (FVOCI)

Classifications are determined by both:

- The entity's business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)
Financial assets that are held within a business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Impairment of financial assets

The AASB 9 impairment model uses forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. The application of this impairment model depends on whether there has been a significant increase in credit risk.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. In determining the recoverability of a trade or other receivables using the expected credit loss model, the Group performs a risk analysis considering the type and age of the outstanding receivables, the creditworthiness of the counterparty, contract provisions, letter of credit and timing of payment.

No provision for credit losses was required to be recognised in the current period ending 30 June 2023.

Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, borrowings, lease liabilities and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Foreign exchange gains and losses
For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. Except for those foreign exchange gains and losses related to borrowings, foreign exchange gains and losses are recognised in the 'Other income' or 'Other losses' line items in profit or loss for financial liabilities that are not part of a designated hedging relationship. Foreign exchange gains and losses related to borrowings are recognised in the 'Finance Charges' line item in profit or loss

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

3.14 Inventories
Inventories are measured at the lower of their costs and net realisable value. An impairment provision is recognised when there is objective evidence that the Company will not be able to realise the carrying amount through use or sale.

All inventories are stated at the lower of cost and net realisable value. For ore concentrate in circuit and ore stockpiles, cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. For consumables, supplies and spares, costs are assigned to individual items of inventory on the basis of monthly weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale inventories are valued at the lower of cost and net realisable value.

3.15 Care and Maintenance
When a mine moves into the care and maintenance stage, the costs of maintaining the mine are expensed in the period as incurred unless there are future economic benefits for other operating mines.

3.16 Mine development
Mine development expenditure relates to costs incurred to access a mineral resource. It represents those exploration and evaluation costs incurred after the technical feasibility and commercial viability of extracting the mineral resource has been demonstrated and an identified mineral reserve is being prepared for production (but is not yet in production).

Significant factors considered in determining the technical feasibility and commercial viability of the project are the completion of a feasibility study, the existence of sufficient proven and probable reserves to proceed with development and approval by the Board of directors to proceed with development of the project. Mine development costs include direct and indirect costs associated with mine infrastructure, pre-production development costs, development excavation, project execution costs and other subsurface expenditure pertaining to that area of interest. Costs related to tangible surface plant and equipment and any associated land and buildings are accounted for as property, plant and equipment.

Development costs are carried forward in respect of areas of interest in the development phase until commercial production commences. When commercial production commences, carried forward development costs are transferred to Mine Properties and amortised on a units of production basis over the life of economically recoverable reserves of the area of interest. Development assets are assessed for impairment if an impairment trigger is identified. For the purposes of impairment testing, development assets are allocated to CGUs to which the development activity relates.

3.17 Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

3.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

3.20 Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised immediately in profit or loss and are included in other gains/(losses) except where hedge accounting applies.

Derivative financial instruments and hedge accounting
Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet all of the following requirements:

- there is an economic relationship between the hedged item and the hedging instrument
- the effect of credit risk does not dominate the value changes that result from that economic relationship, and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

For the reporting periods under review, the Group has designated certain gold swap and spot contracts as hedging instruments in cash flow hedge relationships. Where appropriate, these arrangements have been entered into to mitigate short-term commodity price impacts arising from certain highly probable sales transactions and to give certainty to exchange rate and commodity price impacts on the realised sales prices of the Commodities produced by the Group.

All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the consolidated statement of financial position.

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. Any ineffectiveness in the hedge relationship is recognised immediately in profit or loss.

At the time the hedged item affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented as a reclassification adjustment within other comprehensive income. However, if a non-financial asset or liability is recognised as a result of the hedged transaction, the gains and losses previously recognised in other comprehensive income are included in the initial measurement of the hedged item.

If a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss. If the hedging relationship ceases to meet the effectiveness conditions, hedge accounting is discontinued and the related gain or loss is held in the equity reserve until the forecast transaction occurs.

3.21 Employee benefits

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations
The Group also has liabilities for long service leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Share based payments to employees and directors

Options over ordinary shares have been granted to employees, Directors and finance providers from time to time, on a discretionary basis. The cost of these share-based payments is measured by reference to the fair value at the date at which they are granted using an option pricing model. The options may be subject to service or other vesting conditions and their fair value is recognised as an expense together with a corresponding increase in other reserve equity over the vesting period.

3.22 Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- **Share based payment reserve** – comprising assessed fair value of options issued to employees, executives, Directors and other parties
- **Reserve for cash flow hedges** – comprising gains and losses relating to these types of financial instruments

Retained earnings include all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities if the dividends have been being appropriately authorised and are no longer at the discretion of the entity prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

Share based payments to other parties

Options have been issued to financiers and other parties as payment for goods and services from time to time. The cost of these share-based payments is measured by reference to the fair value at the date at which they are granted using an option pricing model. The options may be subject to service or other vesting conditions and their fair value is recognised as an expense together with a corresponding increase in other reserve equity over the vesting period.

3.23 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, 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 financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

3.24 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 taxation authority. 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 statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

3.25 Rehabilitation

Provisions made for rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning mining activities and restoring the affected areas. The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date, based on current legal requirements and technology. Future rehabilitation costs are reviewed annually, and any changes are reflected in the present value of the rehabilitation provision at the end of the reporting period. The amount of the provision for future rehabilitation costs relating to exploration and development activities is capitalised as a cost of those activities. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate the risks specific to the liability.

3.26 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Determination of cash generating unit (CGU) and assessment of impairment

The Group assesses each Cash-Generating Unit (CGU), at each reporting period to determine whether there is any indication of impairment or reversal. Indicators reviewed include, but are not limited to, operating performance of the CGU, future business plans, assumptions around future commodity prices, exchange rates, production rates and production costs. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made. Where the carrying amount of an asset of CGU exceeds its recoverable amount, the carrying amount is reduced to the recoverable amount and the impairment would be recognised in the Statement of Profit or Loss. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

The Group considers that there are two CGUs. One being the assets located in Cobar (including Wonawinta and Mt Boppy Projects and the processing plant) and the other being the Exploration and Evaluation assets located in New Zealand. The factors considered in reaching this determination are:

- Cash inflows result only from the sale of the final doré produced by the Wonawinta processing plant after inputs are processed from the either the Mt Boppy mine or the Wonawinta Silver Project.
- There is no active market for the unprocessed ores at the Mt Boppy mine or the Wonawinta Silver Project and cash flows are dependent on processing at the Wonawinta plant.
- Exploration and Evaluation assets in New Zealand meet the definition of a CGU under the applicable standards.

Rehabilitation provision

The Company is required by the relevant regulatory authorities to ensure that appropriate rehabilitation is carried out on tenements that are mined. The amount of the rehabilitation cost is an estimate based upon the estimated life of each mined tenement, as well as the future timing and cost of such rehabilitation. The provision is constantly revised as information about the life of mine, depth of mining, level of ground disturbance and cost estimates are updated.

Share based payment reserve

Management uses valuation techniques to determine the fair value of the reserve created when options are issued to employees, executives and other parties. This involves developing estimates and assumptions determined by reference to historical data of either the Company or of comparable entities over a period of time where applicable (e.g. historical volatility data of comparable entities has been considered where there was insufficient historical volatility information for the Company). Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Management consider that the fair value of the options issued to other parties reflects the fair value of services.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised and are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Key judgements are applied in assessing indicators of impairment and considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

Net realisable value of inventories

The calculation of net realisable value for raw materials, work in progress and finished goods involves significant judgement and estimates in relation to timing and cost of processing, commodity prices, recoveries. A change in any of these assumptions will alter the estimated net realisable value and may therefore impact the carrying value of inventories.

Determination of mineral resources and ore reserves

The Group reports its Mineral Resources and Ore Reserves in accordance with the Joint Ore Reserves Committee (**JORC**) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (**JORC Code**). The information on Mineral Resources and Ore Reserves is prepared by Competent Persons as defined by the JORC Code.

There are numerous uncertainties inherent in estimating the quantities of economically recoverable Mineral Resources and Ore Reserves. Assumptions that are valid at the time of estimation may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated. Such changes may impact asset carrying values, depreciation and amortisation rates, deferred development costs and provisions for rehabilitation.

4 Segment reporting

Identification of reportable segments

The Group has identified operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. Currently all the Group's gold and silver tenements and resources are in New South Wales.

Three operating segments have been identified:

- Exploration - Australia: Exploration of existing gold and silver leases and exploration leases at Wonawinta and Mt Boppy projects
- Exploration – NZ: Exploration of acquired mining and exploration leases at the Taranaki VTM Project (New Zealand)
- Operations: being the appraisal, development and processing of gold and silver deposits

The following table presents revenue and loss information regarding operating segments for the years ended 30 June 2023 and 30 June 2022.

Year ended 30 June 2023	**Exploration NZ**	**Exploration Australia**	**Operations**	**Total $**
Segment revenue (external customers)	-	-	9,899,903	**9,899,903**
Segment cost of sales	-	-	(24,324,548)	**(24,324,548)**
Segment operating contribution	**-**	**-**	**(14,424,645)**	**(14,424,645)**
Other income	-	-	481,720	**481,720**
Expenses	(109,963)	(241,834)	(7,740,688)	(8,092,485)
Share based payments	-	-	-	**-**
Foreign exchange gains / losses	-	-	(544,183)	**(544,183)**
Finance income / (expenses)	(17,062)	-	(3,745,364)	**(3,762,426)**
Profit / (loss) before income tax	**(124,901)**	**(241,834)**	**(25,975,285)**	**(26,342,019)**

Year ended 30 June 2022	**Exploration NZ**	**Exploration Australia**	**Operations**	**Total $**
Segment revenue (external customers)	-	-	53,271,499	53,271,499
Segment cost of sales	-	-	(41,244,405)	(41,244,405)
Segment operating contribution	**-**	**-**	**12,027,094**	**12,027,094**
Other income	-	-	304,621	**304,621**
Expenses	-	(27,724)	(2,512,355)	**(2,540,079)**
Share based payments	-	-	(69,718)	**(69,718)**
Foreign exchange gains / losses	-	-	(1,025,343)	**(1,025,343)**
Finance income / (expenses)	-	-	(3,415,155)	**(3,415,155)**
Profit / (loss) before income tax	**-**	**(27,724)**	**5,309,144**	**5,281,420**

The following table presents segment assets and liabilities of operating segments at 30 June 2023 and 30 June 2022.

Segment Assets	Exploration NZ	Exploration Australia	Operations	Total $
As at 30 June 2023	26,277,212	8,923,441	26,305,002	61,505,655
As at 30 June 2022	-	8,457,839	33,138,678	41,596,517

Segment Liabilities	Exploration NZ	Exploration Australia	Operations	Total $
As at 30 June 2023	-	67,442	41,496,239	41,563,681
As at 30 June 2022	-	115,800	27,906,951	28,022,751

Revenue and assets by geographical region

The Company's revenue is derived from sources and assets located wholly within Australia.

Major customers

The Company currently delivers all its product to one off-taker.

5 Revenue and other income

	Notes	30 June 2023 $	30 June 2022 $
(a) Operating sales revenue			
Sale of mineralised ore – gold		1,913,796	49,308,178
Sale of mineralised ore – silver		7,986,107	3,963,321
Total revenue from contracts with customers		**9,899,903**	**53,271,499**
(b) Other income			
Income from cash settled hedges	3.2	120,648	58,272
Income from Insurance claims		227,936	150,000
Other income		133,136	96,349
Total other income		**481,720**	**304,621**

6 Expenses

(a) Cost of sales

		30 June 2023 $	30 June 2022 $
Operating expenses	60	24,479,855	37,622,448
Royalties		-	1,388,891
Inventory movements		(155,307)	2,233,066
Total cost of sales		**24,324,548**	**41,244,405**

(b) Operating expenses

		30 June 2023 $	30 June 2022 $
Mining expenses		245,699	4,299,060
Hauling and crushing expenses		2,976,766	8,680,972
Processing and refining expenses		16,072,529	18,200,370
Site administration expenses		4,611,089	5,114,513
Amortisation of mine properties	15	573,772	1,327,533
Total operating expenses		**24,479,855**	**37,622,448**

(c) Other expenses

		30 June 2023 $	30 June 2022 $
Professional expenses		1,388,695	880,900
Employment expenses	6(d)	1,304,417	1,105,731
Depreciation		270,364	115,529
Impairment – development assets	15(a)	1,825,705	-
Impairment – rehabilitation assets	15(b)	2,175,877	-
Other expenses		1,127,427	437,919
Total other expenses		**8,092,485**	**2,540,079**

(d) Employment Expenses

	30 June 2023 $	30 June 2022 $
Wages and Salaries	1,149,794	990,066
Superannuation	101,601	75,625
Employment taxes	53,022	40,040
	1,304,417	**1,105,731**

(e) Share based payment expenses

	30 June 2023 $	30 June 2022 $
Director options	-	69,718

(f) Foreign exchange (gains) and losses

	30 June 2023 $	30 June 2022 $
Realised foreign exchange (gains)	(9,059)	(173,122)
Unrealised foreign exchange (gains) / losses	553,242	1,198,465
Total foreign exchange (gains) / losses	**544,183**	**1,025,343**

7 Finance costs

Finance costs are made up of the following items:	30 June 2023 $	30 June 2022 $
Interest expense	3,002,783	2,165,164
Amortisation of prepaid borrowing costs	517,719	864,990
Discounting and change of rehabilitation provisions	(537,310)	451,353
Discounting impact of financial assets	613,292	(66,352)
Other finance costs	165,942	-
Total finance costs	3,762,426	3,415,155

8 Income tax expense

	30 June 2023 $	30 June 2022 $
(a) Income tax benefit recognised in the income statement		
Current tax	-	-
Deferred tax	-	-
Income tax as reported in the statement of comprehensive income	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:		
Profit / (loss) from ordinary activities before income tax expense	(26,342,019)	5,281,420
Tax at the Australian rate of 30% (2022 : 30%)	(7,902,606)	1,584,426
Increase / (decrease) in income tax due to:		
Temporary differences	2,779,370	(2,138,201)
Permanent differences	1,201,930	28,796
Unused tax losses not recognised	3,921,306	524,979
Income tax expense	**-**	**-**
(c) Deferred tax assets not recognised		
Deferred tax assets - carry forward tax losses at 30% (2022: 30%) not recognised	10,995,708	8,271,289
- other deferred tax assets	1,909,461	1,442,678
Deferred tax liabilities	(3,679,201)	(5,991,788)
Net deferred tax assets not recognised	**9,225,968**	**3,722,179**

The Company has no available franking credits.

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account as at 30 June 2023. Because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will be obtained if:

- The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the expenditure.

9 Auditor remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	30 June 2023 $	30 June 2022 $
Audit of financial statements		
Ernst & Young – audit and review of financial reports	163,927	149,640
Remuneration from audit of financial statements	**163,927**	**149,640**
Other services	-	3,000
Total other services remuneration	**-**	**3,000**
Total auditor's remuneration	**163,927**	**152,640**

10 Dividends

No dividends for the year ended 30 June 2023 (2022: Nil) have been declared or paid to shareholders by the Company.

11 Cash and cash equivalents

	30 June 2023 $	30 June 2022 $
Cash and cash equivalents comprise the following:		
Cash at bank and in hand	265,833	1,160,615
Cash and cash equivalents as shown in the statement of financial position and the statement of cash flows	**265,833**	**1,160,615**

Cash at bank and in hand is non-interest bearing.

12 Trade and other receivables

	30 June 2023 $	30 June 2022 $
Current		
Trade receivables	3,300	50,600
Other receivables	682,360	379,982
Total trade and other receivables	**685,660**	**430,582**

13 Prepayments

Prepayments consist of the following:

	30 June 2023 $	30 June 2022 $
Current prepaid insurances	241,596	684,625
Other prepayments	162,833	85,927
Prepayments at cost	**404,429**	**770,552**

14 Inventories

		30 June 2023 $	30 June 2022 $
Consumables, supplies and spares		373,264	1,108,498
Ore concentrate in circuit at cost or net realisable value	(a)	1,706,141	1,759,657
Ore stockpiles		227,940	20,968
Inventories at cost		**2,307,345**	**2,889,123**

(a) Ore concentrate in circuit as at 30 June 2023 is measured at cost (2022: measured at net realisable value)

15 Development assets and mine properties

		30 June 2023 $	Restated[33] 30 June 2022 $
Development assets at cost		197,500	197,500
Impairment of development assets	(a)	(182,767)	-
Accumulated amortisation		(14,733)	(14,733)
Net carrying amount		**-**	**182,767**
Mine properties at cost		9,047,223	8,854,878
Rehabilitation cost estimates		-	1,564,928
Impairment of mine properties	(a)	(1,642,938)	-
Accumulated amortisation		(6,765,542)	(6,230,744)
Net carrying amount		**638,743**	**4,189,062**
Total development assets and mine properties at cost		9,244,723	9,052,378
Rehabilitation cost estimates		-	1,564,928
Impairment of mine properties		(1,825,705)	-
Accumulated amortisation		(6,780,275)	(6,245,476)
Total net carrying amount		**638,743**	**4,371,829**

[33] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

The following tables show the movements in development assets and mine properties:

		30 June 2023 $	Restated[34] 30 June 2022 $
Development assets			
Opening carrying value		182,767	1,005,350
Transfer to mine properties		-	(1,022,700)
Adjustment to rehabilitation cost estimates		-	214,850
Impairment of development assets	(a)	(182,767)	-
Amortisation charge for the year		-	(14,733)
Closing carrying value net of accumulated amortisation		**-**	**182,767**
Mine properties			
Opening carrying value		4,189,063	5,082,278
Additions at cost		-	506,217
Transfer from development assets		-	1,022,700
Transfer from exploration assets		192,344	-
Adjustment to rehabilitation cost estimates		649,923	(65,362)
Impairment of rehabilitation asset	(b)	(2,175,877)	-
Impairment of mine properties	(a)	(1,642,938)	-
Amortisation charge for the year		(573,772)	(1,312,800)
Reclassification to plant and equipment (net of accumulated amortisation)		-	(1,043,970)
Closing carrying value net of accumulated amortisation		**638,743**	**4,189,063**
Total development assets and mine properties at cost			
Opening carrying value		4,371,830	6,087,628
Additions at cost		-	506,217
Transfer from exploration assets		192,344	-
Adjustment to rehabilitation cost estimates		649,923	149,488
Impairment of rehabilitation asset	(b)	(2,175,877)	-
Impairment of mine properties and development assets	(a)	(1,825,705)	-
Amortisation charge for the year		(573,772)	(1,327,533)
Reclassification to plant and equipment (net of accumulated amortisation)		-	(1,043,970)
Total closing carrying value net of accumulated amortisation		**638,743**	**4,371,830**

During the period, the Company was focussed on the Wonawinta Silver Trial project and undertook a number of activities in relation to mine development including the use of consultants which have been for the most part been expensed in the profit and loss during the period. Additionally, our geology department worked closely with plant operations to provide accurate data on ore feed material given the various lithologies sitting on the ROM from previous periods of mining operations.

(a) The Company undertook a strategic exploration review, which included a comprehensive review of over 30 years of geophysical data and reports completed over the past 24 months. This has allowed the Company to define new targets and refine the Company's exploration and mining strategy over

[34] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

the coming 2 year period with the aim of adding significant resources of Gold, Silver, Copper and other Base Metals. As a result of this refinement, certain historical development costs relating to areas which are no longer a priority have been written off.

(b) During the period the Group decided to halt the Wonawinta Silver Trial program and return to Mt Boppy to screen and process ore stockpiles and continue exploration in line with the Company's strategic exploration review. Whilst the Company has positive future cashflow forecasts over the Wonawinta Silver Project, current year challenges and negative profitability has resulted in a planned shift back to Mt Boppy. Considering the above, the Company has written off its rehabilitation assets in full.

16 Exploration and evaluation assets

Exploration and evaluation costs carried forward in respect of areas of interest:

	30 June 2023 $	30 June 2022 $
Exploration assets		
Opening net book amount	8,457,839	4,780,492
NZ Exploration assets acquired at cost	26,277,212	-
Transfer to development assets	(192,344)	-
Exploration and evaluation costs during the year	657,946	3,677,347
Net book value	**35,200,653**	**8,457,839**

During the period, the Company acquired the assets and liabilities of Trans-Tasman Resources Ltd (Refer Note 22), including the mining and exploration licences and exploration assets in relation to their Taranaki VTM Project in New Zealand. In addition, the Company undertook the following activities as part of the follow-up-phase exploration on the Company's regional exploration tenements:
(a) Completed comprehensive review of the entire tenement package to enable prioritisation of target areas;
(b) scoping of future field programmes with the goal of adding additional mineralisation to existing resources

An updated Mt Boppy Mineral Resources Estimate was released to the market on 25 August 2023[35].

17 Property, plant and equipment

The following tables show the movements in property, plant and equipment:

	Land $	IT Equipment $	Plant & Equipment $	Fixtures & Fittings $	Motor Vehicles $	Total $
Restated Year ended 30 June 2022[36]						
Opening net book value	**754,994**	**25,673**	**10,995,011**	**20,901**	**416,437**	**12,213,016**
Additions	-	20,265	5,491,095	27,353	242,109	5,780,822
Disposals	-	-	(247,600)	-	-	(247,600)
Depreciation	-	(26,947)	(1,240,545)	(9,301)	(66,335)	(1,343,128)
Closing net book value	**754,994**	**18,991**	**14,997,961**	**38,952**	**592,211**	**16,403,110**

[35] ASX announcement 25 August 2023

[36] Certain capitalised costs relating to the Wonawinta processing plant have been reclassified from Mine Properties and Development Assets to Property, Plant and Equipment in the comparative period to better reflect the nature of the costs capitalised and to align with current period presentation.

Restated Balance 30 June 2022						
Cost	754,994	100,186	17,254,961	53,939	805,939	18,970,020
Depreciation	-	(81,195)	(2,257,000)	(14,987)	(213,728)	(2,566,910)
Net book value	**754,994**	**18,991**	**14,997,961**	**38,952**	**592,211**	**16,403,110**
Year ended 30 June 2023						
Opening net book value	**754,994**	**18,991**	**14,997,962**	**38,952**	**592,211**	**16,403,110**
Additions	-	12,655	568,471	26,656	-	607,782
Disposals	-	-	(224,292)	-	(31,819)	(256,111)
Depreciation	-	(17,734)	(1,018,619)	(11,984)	(63,507)	(1,108,844)
Closing net book value	**754,994**	**16,912**	**14,323,522**	**53,624**	**496,885**	**15,645,937**
Balance 30 June 2023						
Cost	754,994	112,841	17,599,141	80,595	774,120	19,321,691
Depreciation	-	(95,929)	(3,275,619)	(26,971)	(277,235)	(3,675,754)
Net book value	**754,994**	**16,912**	**14,323,522**	**53,624**	**496,885**	**15,645,937**

Included within Plant and Equipment is an amount of $160,208 (2022 : $401,449) representing costs incurred on equipment which was not brought to use as at 30 June 2023 and as such represents capital works in progress.

18 Right-of-use assets and liabilities

Leases

The Group has one lease contract, being for its office premises which commenced on 1 March 2022. The office lease has a lease term of three years with no option to extend and with a rent increase of 3.75% each year.

Short term lease expenses

The Group applies the short-term lease recognition exemption allowed in AASB116 to its short-term leases (i.e. those leases that have a lease term of 12 months of less from the commencement date and do not contain a purchase option). The following table shows the short-term lease expenses during the period to which this exemption has been applied.

	30 June 2023	**30 June 2022**
	$	**$**
Rent expenses	1,500	11,520
Total short-term lease expenses	**1,500**	**11,520**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

	30 June 2023	**30 June 2022**
	$	**$**
Balance at start of period	374,641	68,083
Additions	-	420,714
Depreciation	(140,654)	(114,156)
Closing net book value	**233,987**	**374,641**

Set out below are the carrying amounts of lease liabilities.

	30 June 2023 $	30 June 2022 $
Balance at start of period	383,941	76,113
Additions	-	420,714
Accretion of interest (included in finance expenses)	40,819	20,193
Payments	(165,720)	(133,079)
Closing balance lease liabilities	**259,040**	**383,941**
Current	**147,233**	**124,901**
Non-current	**111,807**	**259,040**

19 Financial assets and liabilities

19.1 Categories of financial assets and financial liabilities

The carrying amounts of financial assets in each category are as follows:

	Notes	30 June 2023 $	30 June 2022 $
Financial assets at amortised cost			
Cash and cash equivalents	11	265,833	1,160,615
Trade and other receivables	12	685,660	430,582
Other financial assets	19.3	6,123,068	6,738,225
Total financial assets at amortised cost		**7,074,561**	**8,329,422**

The carrying amounts of financial liabilities in each category are as follows:

	Notes	30 June 2023 $	30 June 2022 $
Financial liabilities at amortised cost			
Trade and other payables	20	7,138,891	6,242,625
Borrowings – Related party loans	19.2(a)	1,216,715	909,959
Borrowings – Senior secured debt facility (net of borrowing costs)	19.2(b)	14,383,355	12,128,978
Working capital facility	19.2(c)	7,841,636	-
Borrowings – Other loans	19.2(d)	1,338,042	72,241
Lease liabilities	18	259,040	383,941
Total financial liabilities at amortised cost		**32,177,679**	**19,737,744**
Total financial liabilities		**32,177,679**	**19,737,744**

19.2 Borrowings

Borrowings include the following financial liabilities:

		30 June 2023 $	30 June 2022 $
Current			
Related party loans	19.2(a)	1,216,715	909,959
Senior secured debt facility (net of borrowing costs)	19.2(b)	14,383,355	12,128,978
Working capital facility	19.2(c)	7,841,636	-
Other loans	19.2(d)	1,082,870	14,314
Total current borrowings		**24,524,576**	**13,053,251**
Non-current			
Other loans	19.2(d)	255,172	57,927
Total non-current borrowings		**255,172**	**57,927**
Total borrowings		**24,779,748**	**13,111,178**

All borrowings are denominated in Australian Dollars except for the Senior Secured Debt Facility which is denominated in US Dollars.

(a) The related party loans include the following:

	30 June 2023 $	30 June 2022 $
ResCap Investments Pty Ltd	1,216,715	909,959

The loan provided by ResCap Investments Pty Ltd includes the opening balance loan plus working capital drawn down during the period. The loan has an interest rate of 16% and is repayable on 30 September 2024. The principle outstanding at 30 June 2023 was $1,020,175 with $196,540 owing in accrued interest.

(b) The Company signed a debt facility agreement (Senior Secured Debt Facility) with TransAsia Private Capital Limited (TPC) during July 2019, with the first drawdown occurring in July 2019. As at 30 June 2023, the balance owing under the facility was US$8Million plus interest (AU$14,626,763). The interest rate attributable to this facility is 12.5% per annum payable quarterly, with service and management fees of 2.5% per annum. Subsequent to the end of the period, the Company successfully negotiated to extend the term of the secured debt facility to 30 September 2024. The extension has been granted on existing terms and rates with no extension penalties or cash fees. The Company has resolved at a Board meeting held 19 September 2023 to grant the issue of 25Million options in four tranches with an exercise price based on the 5-day VWAP plus a 10% premium.

Details of the unamortised borrowing costs in relation to the Senior Secured Debt Facility is as follows:

	30 June 2023 $	30 June 2022 $
Senior secured debt facility	14,626,763	12,332,456
Less: Borrowing Costs	(243,408)	(203,479)
Total senior secured debt facility (net of borrowing costs)	**14,383,355**	**12,128,977**

(c) The Company signed a USD denominated working capital facility agreement (Working Capital Facility) with a commodity trading company with a minimum term of three years. Drawdowns under the facility and repayable within 180 days. The interest rate attributable to this facility is set at the 3 Month Secured Overnight Financing Rate (SOFR) plus 4% per annum. A facility fee of 4.8% per quarter is payable on drawdowns under the facility.

(d) During the period the Company entered into a number of small short-term asset-based funding agreements. The details of outstanding loans at 30 June 2023 are as follows:

	30 June 2023 $	Av. Interest Rate % p.a.	Expiry date
Short-term loan	532,500	23%	Repayable on refinance of senior secured debt
Asset backed finance	487,500	12%	October 2023
Vehicle Finance	57,926	6%	March 2025
Equipment Finance	260,116	11%	December 2027
Total other loans	**1,338,042**		

19.3 Other financial assets

	Notes	30 June 2023 $	30 June 2022 $
Other financial assets comprises the following:			
Current assets at amortised cost			
Mt Boppy Resources - Deposit for exploration bond		186,000	186,000
Non-current assets at amortised cost			
Manuka Resources - Deposit for environmental bond	(a)	4,639,792	5,021,967
Mt Boppy Resources – Deposit for environmental bond	(b)	1,132,598	1,352,016
Term Deposit	(a)	164,678	178,242
		6,123,068	**6,738,225**

The carrying amount of other financial assets is considered a reasonable approximation of fair value unless stated below:

(a) The Environmental Bond and the Term Deposit in the name of Manuka Resources Ltd have been amortised with reference to a discount rate of 3.96% (2022: 3.12%). They have been discounted over a 5 year period (2022: 3.75 years) which is a reasonable approximation as to when the rehabilitation work will have to be conducted.

(b) The Environmental Bond Deposits in the name of Mt Boppy Resources Pty Ltd have been amortised with reference to a discount rate of 3.96% (2022: Nil). They have been discounted over a 5 year period (2022: 1 year) which is a reasonable approximation as to when the rehabilitation work will have to be conducted.

19.4 Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value due to the short-term nature of the financial instruments:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Other current financial assets

19.5 Fair Value Hierarchy

The Group had no financial assets and liabilities carried at fair value in the statement of financial position or measured at fair value through profit or loss during the period.

20 Trade and other payables

	30 June 2023 $	30 June 2022 $
Current		
Trade creditors	5,845,969	4,520,381
Other creditors and accruals	1,292,923	1,722,244
Total trade and other payables	**7,138,892**	**6,242,625**

Trade and other payables amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

21 Provisions

	Notes	30 June 2023 $	30 June 2022 $
Current			
Provision for annual leave		643,823	628,315
Total current provisions		**643,823**	**628,315**
Non-current			
Provision for long service leave		97,400	29,107
Rehabilitation provisions	22.1	7,676,132	7,565,403
Total non-current provisions		**7,773,532**	**7,594,510**
Total provisions		**8,417,355**	**8,222,825**

21.1 Rehabilitation provisions

Rehabilitation provisions split between the parent and subsidiary are as follows:

	30 June 2023 $	30 June 2022 $
Rehabilitation provisions		
Manuka Resources Ltd (Wonawinta project)	6,634,705	6,422,934
Mt Boppy Resources Ltd	1,041,427	1,142,469
Total rehabilitation provisions	**7,676,132**	**7,565,403**

Set out below are the movements of the rehabilitation provision during the period.

	30 June 2023	30 June 2022
	$	$
Carrying amount at start of year	7,565,403	7,440,642
Re-assessment of provision	913,907	20,865
Payments	-	-
Net impact of inflation and discounting	(803,178)	103,896
Carrying amount at end of year	**7,676,132**	**7,565,403**

Provisions made for rehabilitation are recognised where there is a present obligation as a result of exploration, development or production activities having been undertaken, and it is probable that an outflow of economic benefits will be required to settle the obligation. The estimated future obligations include the costs of removing facilities, abandoning mining activities and restoring the affected areas. The provision for future rehabilitation costs is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date, based on current legal requirements and technology. Future rehabilitation costs are reviewed annually, and any changes are reflected in the present value of the rehabilitation provision at the end of the reporting period. The amount of the provision for future rehabilitation costs relating to exploration and development activities is capitalised as a cost of those activities. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate the risks specific to the liability. The fair value of the rehabilitation provision for Manuka Resources has been calculated with reference to an inflation rate of 3.0% (2022: 5.09%) and a discount rate of 3.96% (2022: 3.12%) over 5 years (2022: 3.75 years). With the recommencement of processing at Mt Boppy forecast to continue for up to five years, the rehabilitation provision has been calculated with reference to an inflation rate of 3.0% (2022: n/a) and a discount rate of 3.96% (2022: n/a) over 5 years (2022: 1 years).

The Company is required by the relevant regulatory authorities to ensure that appropriate rehabilitation is carried out on tenements that are mined. The amount of rehabilitation cost is an estimate based upon the estimated life of each mined tenement, as well as the future timing and cost of such rehabilitation. The provision is constantly revised as information about the life of mine, depth of mining and cost estimates are updated.

22 Asset Acquisition – Trans-Tasman Resources Ltd

The Company acquired 100% of the fully paid shares in Trans-Tasman Resources Limited on 10 November 2022 in accordance with the terms of the Heads of Agreement between the company and TTR.

The Group has assessed that the acquisition does not meet the definition of a business combination in accordance with the accounting standards and therefore recognises the individual identifiable assets acquired and liabilities assumed. The cost of the acquisition has been allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

The NZ Department of Petroleum and Minerals approved the transfer of the related mining and exploration permits on 2 November 2022[37] and Manuka completed the acquisition through the issuance of 176,938,295 shares and 12 million options on 10 November 2022.

[37] 23YE MKR - Transfer of Licence Title Approval

TTR's main asset is the Taranaki VTM Project in New Zealand for which it holds a Mineral Mining Permit MP55581 and an Exploration Mining Permit EP54068. The project is in preliminary stages of its BFS which is largely focussed on detailed engineering and costing for the integrated mining vessel upon which mining and processing activities are conducted.

The Taranaki VTM Project released its maiden vanadium resource[38] in March 2023, which ranks it as one of the largest drilled vanadium projects globally. The Project has a granted mining licence and is in the lowest quartile of the iron ore production cost curve. The Company is awaiting Environmental Approval before completing its Bankable Feasibility Study.

Details of the purchase consideration and the net assets acquired are as follows:

	# Shares/options	AUD $'000
Purchase Consideration		
Shares issued 10 November 2022	176,938,295	25,656
Options issued 24 November 2022	12,000,000	122
Transaction Costs		225
Total		26,003

The cost of acquisition has been allocated to the acquired assets and liabilities as follows:

	AUD $'000
Cash and cash equivalents	2
Prepayments	9
Exploration and evaluation assets	26,208
Trade and other creditors	(216)

In 2017 the NZ Environmental Protection Authority (EPA) granted the environmental marine and marine discharge consents (Consents) to operate. The grant of these Consents was then subject to third party legal challenge. Judgments in the High Court in 2018, the Court of Appeal in 2020 and particularly the Supreme Court (SC) in 2021[39] summarised the legal deficiencies of the EPA's Decision Making Committee's (DMC) Consents grant and the legal framework for the DMC to address when the grants are reconsidered.

The SC referred the Consents back to the EPA for reconsideration by its DMC on five narrowly defined points of law. The new DMC reconvened in March 2023[40] and requested TTR provide expert evidence to satisfy the SC's ruling on information deficits.

In May and August 2023 TTR provided the expert evidence requested by the DMC to satisfy the SC's requirements and legal tests to reissue the Consents. These expert reports concluded the proposed VTM mineral recovery in STB will avoid material harm, will favour caution and environmental protection in relation to the effects of the proposed mining operations and resulting sedimentation on biota in the STB including no adverse ecological effects on marine mammals and seabirds. Accordingly, there are no aspects of TTR's 2017 environmental Consents that are an impediment to having them re-approved by the reconvened DMC[41].

---

[38] ASX release 1 March 2023
[39] Judgement delivered 30 September 2021
[40] Refer EPA Public consultation disclosures at www.epa.govt.nz/public-consultations/in-progress/trans-tasman-resources-limited-2016/
[41] Refer ASX announcement 1 August 2022

Acquisition costs incurred during the period were $244,133. The costs were directly attributable to the issue of shares and have been capitalised.

23 Equity

23.1 Share capital

The share capital of Manuka Resources consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Manuka Resources.

	30 June 2023 # Shares	30 June 2022 # Shares	30 June 2023 $	30 June 2022 $
Shares issued and fully paid:				
• At beginning of period	286,020,381	269,353,712	25,771,113	21,512,355
• share issue 4 March 2022 [(a)]	-	16,666,669	-	5,000,000
• issue costs - options issued to broker	-	-	-	(70,831)
• issue costs – options issued to shareholders	-	-	-	(341,220)
• share issue 10 Nov 2022[(b)]	176,938,295	-	25,656,053	-
• share issue 15 and 22 Dec 2022[(c)]	39,142,856	-	4,110,000	-
• share issue 3 Feb 2023 [(d)]	700,000	-	66,500	-
• share issue 17 April 2023 [(e)]	38,068,530	-	2,398,097	-
• IPO and Placement expenses	-	-	(963,376)	(329,191)
Total share capital at end of period	**540,870,062**	**286,020,381**	**57,038,387**	**25,771,113**

a) On 4 March 2022 the Company completed a Placement of $5,000,000 before costs through the issue of 16,666,669 ordinary shares at $0.30 per share, to sophisticated, professional and institutional investors.

b) As approved at a meeting of shareholders on 21 September 2022, the Company acquired 100% of the fully paid shares in Trans-Tasman Resources Limited on completion of the acquisition on 10 November 2022. (Refer to Note 22)

c) On 12 December 2022, the Company announced completion of a Placement of $4,110,000 before costs. Under the placement, the Company issued 39,142,856 shares at an issue price of $0.105 per share to sophisticated, professional and institutional investors.

d) As ratified at a meeting of shareholders on 14 April 2023[42], the Company issued the 700,000 Financier Shares for nil cash consideration, at a time when the market value of the shares was $0.095 per share to Claymore Capital Pty Ltd (or its nominee) on 3 February 2023 as payment of the Establishment Fee and Facility Fee for a short-term debt facility.

e) On 18 April 2023 the Company announced completion of a private placement of $2,398,097 before costs through the issue of 38,068,530 ordinary shares at the 10-day VWAP, to unrelated professional and sophisticated investors.

[42] Refer ASX announcement 15 March 2023

23.2 Movements in options on issue or granted

	Number of Options	
	2023	2022
Beginning of the financial year	54,016,669	21,250,000
Issued, exercisable at $0.30 on or before 28 July 2023		5,000,000
Issued, exercisable at $0.32 on or before 30 September 2023		5,000,000
Issued, exercisable at $0.50 on or before 11 January 2024		1,100,000
Issued, exercisable at $0.50 on or before 3 March 2024		13,620,002
Issued, exercisable at $0.50 on or before 7 April 2024		8,046,667
Unexercised options expired 4 March 2023	(13,620,002)	
Unexercised options expired 8 April 2023	(8,046,667)	
Unexercised options expired 17 April 2023	(11,250,000)	
Issued, exercisable at $0.13 on or before 31 December 2023	19,034,266	
Issued, exercisable at $0.16 on or before 30 September 2024	5,000,000	
Issued, exercisable at $0.35 on or before 31 December 2024	12,000,000	
Issued, exercisable at $0.12 on or before 15 December 2024	4,000,000	
Issued, exercisable at $0.08 on or before 31 March 2025	4,000,000	
Issued, exercisable at $0.25 on or before 19 April 2025	2,000,000	
Issued, exercisable at $0.17 on or before 16 December 2025	19,571,419	
Granted, exercisable at $0.06 on or before 30 June 2025	4,000,000	
End of the financial year	**90,705,685**	**54,016,669**

23.3 Capital management policies and procedures

Management’s objectives when managing the capital of the company are to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the company can fund its operations and continue as a going concern.

The Company’s capital includes ordinary share capital, short-term borrowings, and financial liabilities, supported by financial assets.

The Company has a Loan to Value Ratio requirement of 80% under its Senior Secured Debt Facility. Borrowings are regularly monitored and reported monthly to the Senior Secured Lender.

Management effectively manages the Company’s capital by assessing the Company’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. In making decisions to adjust its capital structure the company considers not only its short-term position but also its long-term operational and strategic objectives. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, pay dividends to shareholders or issue new shares.

24 Reconciliation of cash flows from operating activities

(a) Details of the reconciliation of cash flows from operating activities are listed in the following table:

	30 June 2023 $	30 June 2022 $
Cash flows from operating activities		
Profit / (loss) for the period	(26,342,020)	5,281,420
Adjustments for non-cash items:		
• depreciation and amortisation	1,828,928	2,653,448
• discounting of provisions and financial assets	75,962	407,986
• impairment of development and rehabilitation assets	4,001,582	-
• profit on sale of assets	(51,364)	-
• share based payments to financiers	88,084	69,718
• accretion of interest and finance costs	2,501,039	(301,145)
• amortisation of borrowing costs	517,719	667,929
• unrealised foreign exchange gains	553,242	1,197,825
Change in operating assets and liabilities:		
• change in trade and other receivables	(254,574)	266,241
• change in prepayments	366,124	(200,925)
• change in inventories	581,778	1,803,164
• change in trade, other payables and related party advances	711,580	(3,736,706)
• change in contract liabilities	818,219	62,183
• change in provisions	83,801	180,108
Net cash provided by / (used in) operating activities	**(14,519,900)**	**8,351,246**

(b) The Company has undertaken a number of non-cash investing and financing activities. Details of the non-cash financing activities which have resulted in the issue of shares are outlined above at Note 23.1 In addition, the Company has issued or granted options in respect of non-cash financing and investing activities as outlined in the table below.

	30 June 2023		30 June 2022	
	# options	$	# options	$
Options issued to finance provider in respect of financing and extension of financing				
• Borrowings – capitalised finance expenses	17,000,000	557,648	10,000,000	871,408
• Finance costs	2,000,000	21,584	-	-
Options issued pursuant to share placement				
• Other contributed equity	38,605,685	701,832	16,666,669	341,220
Options granted to lead broker for placement services				
• Other contributed equity	-	-	5,000,000	70,831
Options granted to Alan Eggers (or his nominee) as conversion of TTR options				
• Exploration Assets	12,000,000	121,732	-	-
Total Options	**69,605,685**	**1,402,796**	**31,666,669**	**1,283,459**

25 Earnings / (Loss) per share

	30 June 2023	30 June 2022
	$	$
Profit / (loss) attributable to the owners of the Company used in calculating basic and diluted loss per share	(26,342,019)	5,281,420
	No of shares	**No of shares**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share *	428,174,803	274,741,841
	Cents per share	**Cents per share**
Basic earnings / (loss) per share	(6.15)	1.92
Diluted earnings / (loss) per share	(6.15)	1.61

As the Group made a loss for the year ended 30 June 2023, none of the potentially dilutive securities were included in the calculation of diluted earnings per share for that year. These securities could potentially dilute basic earnings per share in the future.

* In accordance with AASB 133 paragraph 26, the weighted average number of shares outstanding during the period and for all periods presented shall be adjusted for events (such as a share consolidation) that have changed the number of shares outstanding without a corresponding change in resources.

26 Reserves

26.1 Share based payments

Options over ordinary shares have been granted to employees and Directors from time to time, on a discretionary basis. In addition, options have been issued to financiers and other parties as payment for goods and services. The cost of these share-based payments is measured by reference to the fair value at the date at which they are granted using an option pricing model. The options may be subject to service or other vesting conditions and their fair value is recognised as an expense together with a corresponding increase in other reserve equity over the vesting period.

The weighted average fair value of the options granted during the year was 2 cents. The fair values were determined using a variation of the binomial option pricing model that takes into account factors such as the vesting period, applying the following inputs:

	30 June 2023	30 June 2022
Weighted average exercise price (cents)	18	44
Weighted average life of the option (years)	1.9	1.4
Weighted average underlying share price (cents)	10	29
Weighted average expected share price volatility	75%	59%
Weighted average risk free interest rate	3.2%	0.65%

Set out below is a summary of the share-based payment options granted:

	30 June 2023		30 June 2022	
	# Options	Weighted average exercise price cents	# Options	Weighted average exercise price cents
Beginning of the year	54,016,669	37	21,250,000	25
Granted	69,605,685	18	32,766,669	44
Forfeited	-		-	-
Exercised	-		-	-
Expired	(32,916,669)	(42)	-	-
Outstanding at year end	**90,705,685**	**20**	**54,016,669**	**37**
Exercisable at year end	**90,705,685**	**20**	**54,016,669**	**37**

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.2 years (2022: 0.6 years), and the weighted average exercise price is 20 cents (2022: 37 cents).

During the period there were $Nil share-based payment expenses (2022: $69,718) and $88,084 in finance costs relating to the issue of shares and options to other parties (2022: Nil) in the profit or loss and there was an increase in the share option reserve of $1,402,795 (2022: $1,353,177). At 30 June 2023 the total value of the share based payment reserve is $4,242,049 (2022: $2,839,254).

27 Financial risk management

General objectives, policies and processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Activities undertaken by the Company may expose the Company to market risk (including gold price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority to its finance team, for designing and operating processes that ensure the effective implementation of the objectives and policies of the Company. The Company's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular updates from Management through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility.

At 30 June 2023, the Company held the following financial instruments:

	30 June 2023	30 June 2022
Financial assets	**$**	**$**
Cash and cash equivalent	265,833	1,160,615
Trade and other receivables	685,660	430,582
Other financial assets	6,123,068	6,738,225
Total financial assets	**7,074,561**	**8,329,422**
Financial liabilities		
Trade and other payables	7,138,891	6,242,625
Related party loans	1,216,715	909,959
Other interest-bearing loans (net of borrowing costs)	23,563,033	12,201,219
Lease liabilities	259,040	383,941
Total financial liabilities	**32,177,679**	**19,737,744**

The fair value of current and non-current financial instruments is assumed to approximate their carrying value.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, commodity prices, interest rates and equity prices will affect the consolidated entity income or the value of its holdings of financial instruments.

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the gold and silver produced from its silver and gold mines. The Group does not have any physical gold or silver delivery contracts in place as at 30 June 2023 (30 June 2022: Nil).

Derivative financial instruments and hedge accounting

Derivatives are only used for economic hedging purposes and not as speculative investments.

Changes in the market gold price will affect the derivative valuation at each reporting date. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The consolidated entity enters into derivative financial instruments to hedge such transactions.

The Company's risk management policy is to hedge between 0% to 60% of forecast gold/silver sales in local currency over a rolling 24-month period. As at 30 June 2023 the Company had no hedge positions in place (2022: Nil).

Commodity price sensitivity

The carrying amount of derivative financial instruments are valued using appropriate valuations models with inputs such as forward gold or silver prices. There were no open derivative instruments as at 30 June 2023 (2022: Nil). The accounting policy for derivative financial instruments and hedge accounting is outlined at Note 3.20 above.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement. During the period, the Company entered into fair value hedges for 200,000 oz of silver (2022: Nil) which did not classify for hedge accounting. An amount of $120,648 was recognised in the Profit and Loss in relation to these hedges which were settled prior to the end of the period.

Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Company incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Company. The policy of the Company is that sales are only made to customers that are credit worthy. Credit limits for each customer are reviewed and approved by Management.

Receivable balances are monitored on an ongoing basis. The Company has one Key Customer which is an LBMA Accredited Refinery. To mitigate Credit Risk associated with its Key Customer, the Company has in place a contract which ensures payment is received at the time of transfer of title and physical delivery of goods.

To mitigate the credit risk associated with cash and cash equivalents, contracts are taken out only with reputable financial institutions in Australia.

The maximum exposure to credit risk at balance date in relation to each class of financial asset is the carrying amount of those assets, which is net of impairment losses. Refer to the summary of financial instruments table above for the total carrying amount of financial assets.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed credit facilities.

The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows, seeking the financial support from its shareholders, finding debt providers and matching the maturity profiles of financial assets and liabilities.

Maturity Analysis

The table below summarises the maturity profile of the Company's financial liabilities based on contractual commitments.

	Carrying Amount	Contractual Cash flows	< 6 months	6- 12 months	1-3 years
	$	$	$	$	$
2023					
Non-derivatives					
Trade and other payables	7,138,891	7,138,891	7,138,891	-	-
Related party loans	1,216,715	1,460,057	97,337	97,337	1,265,383
Other interest-bearing loans	23,563,033	28,310,460	5,979,345	1,992,591	20,338,525
Lease liabilities	259,040	454,288	82,074	83,646	288,568
	32,177,679	**37,363,696**	**13,297,647**	**2,173,574**	**21,892,476**
2022					
Non-derivatives					
Trade and other payables	6,242,625	6,242,625	6,242,625	-	-
Related party loans	909,959	1,000,577	46,532	36,247	917,798
Other interest-bearing loans	12,201,219	14,519,060	1,571,025	851,233	12,096,802
Lease liabilities	383,941	454,288	82,074	83,646	288,568
	19,737,744	**22,216,550**	**7,942,256**	**971,126**	**13,303,168**

Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group has not formalised a foreign currency risk management policy however, it monitors its foreign currency expenditure considering exchange rate movements.

The Group is exposed to foreign exchange risk through the USD denominated debt facility obtained from its senior secured lender and through the USD denominated working capital facility, refer Note 19.2. The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 June 2023	30 June 2022
	$	$
Borrowings	22,468,399	12,332,456

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	30 June 2023	30 June 2022
	$	$
Net foreign exchange gain / (loss) recognised in profit or loss	(544,183)	(1,023,183)

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the USD:AUD exchange rate, with all other variables held constant, of the Company's profit/loss after tax (through the impact on USD denominated financial liabilities).

	30 June 2023 $	30 June 2022 $
USD:AUD exchange rate – increase 10%	2,042,582	1,055,701
USD:AUD exchange rate – decrease 10%	(2,496,489)	(1,290,302)

Interest rate risk

Interest rate risk is the Company's exposure to market risk for changes in interest rates relates primarily to cash and interest-bearing liabilities. The Company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the tables below:

	Weighted average interest rate	Floating rates $	Fixed rates $	Non-interest bearing $	Total $
2023					
Financial assets					
Cash and cash equivalent	-	-	-	265,833	265,833
Trade and other receivables	-	-	-	685,660	685,660
Other financial assets	-	-	-	6,123,068	6,123,068
		-	-	**7,074,561**	**7,074,561**
Financial liabilities					
Trade and other payables	0%	-	-	7,138,891	7,138,891
Related party loans	16%	-	1,216,715	-	1,216,715
Other interest-bearing loans	20%	7,505,279	13,355,658	2,702,096	23,563,033
Lease liability	14%	-	259,040	-	259,040
		7,505,279	**14,831,412**	**9,840,988**	**32,177,679**
2022					
Financial assets					
Cash and cash equivalent	-	-	-	1,160,615	1,160,615
Trade and other receivables	-	-	-	430,582	430,582
Other financial assets	-	-	-	6,738,225	6,738,225
		-	-	**8,329,422**	**8,329,422**
Financial liabilities					
Trade and other payables	-	-	-	6,242,625	6,242,625
Related party loans	16%	-	453,083	456,876	909,959
Other interest-bearing loans	14%	-	11,684,906	516,313	12,201,219
Lease liability	14%	-	383,941	-	383,941
		-	**12,521,930**	**7,215,814**	**19,737,744**

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit/loss after tax (through the impact on floating rate financial liabilities).

	Carrying amount	2023		Carrying amount	2022	
	$	+1%	-1%	$	+1%	-1%
Borrowings at floating interest rate	7,505,279	75,053	(75,053)	-	-	-
Tax charge at 30% (2022: 30%)		(22,516)	22,516		-	-
Net after tax increase / (decrease)		**52,537**	**(52,537)**		**-**	**-**

28 Commitments for expenditure

28.1 Tenement Commitments

In order to maintain current rights of tenure to exploration tenements, the Company is required to perform minimum exploration work to meet the minimum expenditure requirements specified by the State Government. Due to the nature of the Company's operations in exploring and evaluating areas of interest, exploration expenditure commitments beyond twelve months cannot be reliably determined. It is anticipated that expenditure commitments in subsequent years will be similar to that for the forthcoming twelve months.

These obligations are not provided for in the financial report and are payable as follows:

	30 June 2023	30 June 2022
	$	$
Not later than one year	1,122,667	1,106,667
Between 1 year and 5 years	4,367,333	4,383,333
	5,490,000	5,490,000

If the Company decides to relinquish certain leases and/or does not meet these obligations, assets recognised in the Statement of Financial Position may require review to determine the appropriateness of carrying values.

29 Contingent assets and liabilities

29.1 Bank Guarantee to Cobar Shire Council and road rehabilitation

The Company has a term deposit with NAB to cover a bank guarantee of $200,000 issued by the NAB to Cobar Shire Council. The bank guarantee is required by Cobar Shire Council to cover the estimated cost of restoring the road to their pre-mining condition.

Due to the contingent nature of the asset and liability and the significant uncertainty of timing and because the cost of necessary road repairs cannot be estimated with any degree of certainty, the value of the bank guarantee has not been brought to account in the financial statements of the Company.

29.2 Rental bond and office lease guarantee and indemnity

The Company has entered into a Deed of Indemnity to in relation to a Lease Bond Facility with Lombard Insurance Company Ltd. The Lease Bond Facility covers the Company's guarantee and indemnity obligations in respect of the office lease outlined at Note 18. The total facility as at 30 June 2023 was $99,854 (2022: $96,254).

30 Interests in Subsidiaries

Set out below are details of the subsidiaries held directly by the Group:

Name of the subsidiary	Place of incorporation and place of business	Principal activity	Proportion of ownership interests held by the Group 30 June 2023	30 June 2022
Mt Boppy Resources Pty Ltd	Australia	Gold Mine	100%	100%
Trans-Tasman Resources Ltd	New Zealand	Owner of iron ore project	100%	0%

31 Parent Entity Information

Information relating to Manuka Resources Ltd (the Parent Entity):

	30 June 2023 $	30 June 2022 $
Current assets	3,722,355	5,318,650
Non-current assets	54,580,313	34,421,877
Total assets	**58,302,668**	**39,740,527**
Current liabilities	31,261,610	18,799,563
Non-current liabilities	7,099,084	6,769,008
Total liabilities	**38,360,694**	**25,568,571**
Net assets / (deficit)	**19,941,974**	**14,171,956**
Share capital	57,038,387	25,771,113
Share based payment reserve	4,242,049	2,839,254
Accumulated losses	(41,338,462)	(14,438,411)
Total equity	**19,941,974**	**14,171,956**
Statement of profit or loss and other comprehensive income		
Profit / (loss) for the year	(26,900,051)	5,482,314
Other comprehensive income / (loss)	-	6,297
Total comprehensive profit / loss	**(26,900,051)**	**5,488,611**

The Parent Entity has contingent liabilities at the year end as outlined in Note 29.

32 Related party transactions

32.1 Transactions with related parties and outstanding balances

The Company's related parties include key management personnel, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

	Notes	30 June 2023 $	30 June 2022 $
DETAILS OF TRANSACTIONS WITH RELATED PARTIES:			
Details of related party transactions with ResCap Investments Pty Ltd, an entity controlled by a member of KMP:			
• interest charged on intercompany loan		186,255	29,184

Details of related party transactions with Minvest Securities (New Zealand) Ltd, being an entity controlled by a member of KMP:			
• interest charged on intercompany loan		17,062	-
DETAILS OF BALANCES WITH RELATED PARTIES:			
Balance of loan with Manuka Resources Ltd			
- payable to ResCap Investments Pty Ltd	20.2(a)	1,216,714	909,959
Balance of loan with Trans-Tasman Resources Ltd			
- payable to Minvest Securities (New Zealand) Limited	20.2(a)	-	-

32.2 Transactions with key management personnel

Key management personnel remuneration includes the following expenses:

	30 June 2023 $	30 June 2022 $
Short-term employee benefits	916,877	777,181
Post-employment benefits	50,584	45,628
Long-term benefits	-	-
Share-based payments	-	69,718
Total remuneration	**967,461**	**892,527**

Detailed remuneration disclosures are provided in the remuneration report on pages 30 to 38.

33 Events subsequent to the end of the reporting period

- **Further Extension of Secured Debt Facility**

  Since the end of the reporting period, the Company successfully negotiated to extend the term of the secured debt facility to 30 September 2024. The extension has been granted on existing terms and rates with no extension penalties or cash fees. The Company has resolved at a Board meeting held 19 September 2023 to grant the issue of 25Million options in four tranches with an exercise price based on the 5-day VWAP plus a 10% premium.

- **Mt Boppy Resource Update[43]**

The Company released a Mt Boppy Gold Project Resource Upgrade showing a 357% increase in contained ounces.

Apart from the matters noted above, there are no other matters or circumstances that have arisen since the end of the period that has significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

[43] Refer ASX announcement dated 25 August 2023

34 Company Details

The registered office and principal place of business of the Company is:

Manuka Resources Ltd
Level 4 Grafton Bond Building
201 Kent Street, Sydney, New South Wales

Directors’ Declaration

In the opinion of the Directors of Manuka Resources Ltd:

a The financial statements and notes of Manuka Resources Ltd are in accordance with the *Corporations Act 2001*, including:

i. Giving a true and fair view of the consolidated entity’s financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

ii. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

iii. The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

b There are reasonable grounds to believe that Manuka Resources Ltd will be able to pay its debts as and when they become due and payable; and

c a statement that the attached financial statements are in compliance with International Financial Reporting Standards has been included in the notes to the financial statements.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.

Dennis Karp
Executive Chairman

Dated the 29th day of September 2023

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Manuka Resources Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Manuka Resources Limited ("the Company") and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, 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:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and

b. 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 Company in accordance with the auditor independence requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 3.2 in the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Building a better working world

Carrying value of Non-Current Assets

Why significant	How our audit addressed the key audit matter
At 30 June 2023 the carrying value of the Group's Property, Plant and Equipment ("PP&E") was $15.6m and Mine Properties and Development Assets was $0.6m. This represents 26% of the total assets of the Group. Australian Accounting Standards require the Group to assess whether there are any indicators that its non-current assets may be impaired. If such indicator exists, the Group estimates the recoverable amount. As outlined in note 15, a strategic review of the Group's capitalised development costs identified impairment indicators for certain areas. The resulting impairment test resulted in development costs totalling $3.8m being impaired. The Group's remaining non-current asset balance (excluding exploration and evaluation) at 30 June 2023 relates primarily to the Group's Wonawinta processing plant and associated tangible mining assets. As an indicator of impairment was identified, at 30 June 2023 the Group engaged an independent expert to perform a valuation of these tangible assets. This assessment, combined with supporting operating plans and cash flow analysis supported the Group's assessment that the PP&E was not impaired. Due to the significance of the carrying amount of the non-current assets relative to total assets and the judgment required in determining recoverable amount once impairment indicators were identified, we consider this a key audit matter.	In performing our procedures, we: ▶ Considered whether indicators of impairment were present for the Group's non-current assets with reference to the Australian Accounting Standards. ▶ Assessed the Group's methodology for measuring recoverable amount given its expected manner of using the non-current assets and tested the mathematical accuracy of the impairment charge recognised. ▶ Obtained and read the Group's independent valuation for the of its plant and equipment. With the assistance of EY's capital equipment valuation experts, we: ○ Evaluated the qualifications, competence and objectivity of the experts used by the Group to determine the recoverable amount of the Group's Wonawinta processing plant and associated tangible mining assets. ○ Considered the valuation approach adopted for compliance with the requirements of the Australian Accounting Standards. ○ Assessed the reasonability of the inputs and information sources used in the valuation based on the EY capital equipment team's expertise. ○ Considered economic obsolescence of the plant by considering cash flow forecasts based on the expected recovery of gold resources controlled by the Group as reported under the JORC Code, 2012 ("JORC"). ○ Evaluated the reasonableness of key assumptions in the cash flow forecasts including forecast gold prices and foreign exchange rates with reference to broker consensus data. ○ Evaluated the qualifications, competence and objectivity of the experts used by the Group to determine the JORC resource. ○ Considered whether any obsolescence or physical asset damage had occurred based on knowledge obtained from the site visit conducted by the audit team and the age and functionality of all physical items of PP&E (including the processing plant). ▶ Cross checked the carrying value of the Group's total net assets to market capitalisation; ▶ Assessed the adequacy of the related disclosures in the notes to the financial statements.

Building a better working world

Carrying value of Exploration and Evaluation Assets

Why significant	How our audit addressed the key audit matter
The Group's exploration assets of $35.4m as at 30 June 2023 represent 61% of the total assets of the Group as disclosed in Note 16. This includes $26.3m relating to the current period asset acquisition of the Trans-Tasman Resources Ltd VTM iron sands project in New Zealand, which is described in Note 22. At each reporting date, the Directors assess the Group's exploration assets for indicators of impairment. The decision as to whether there are indicators that require the Group's exploration assets to be assessed for impairment in accordance with Australian Accounting Standards involved judgment, including the Group's ability and intention to continue to evaluate and develop the area of interest and whether the results of the Group's exploration and evaluation work to date are sufficiently progressed for a decision to be made as to the commercial viability or otherwise of the area of interest. We considered this to be a Key Audit Matter due to the value of the exploration assets relative to total assets and the significant judgments involved in the assessment of indicators of impairment.	In performing our procedures, we: ▶ Evaluated the Group's accounting for the purchase of Trans-Tasman Resources Ltd ("TTR")as an asset acquisition with reference to the requirements of the Australian Accounting Standards. ▶ Recalculated the fair value of the purchase consideration paid for TTR as the number of shares issued by the share price on the date of acquisition and tested the allocation of that consideration to the exploration and evaluation assets. ▶ Assessed whether the methodology used by the Group to identify indicators of impairment met the requirements of Australian Accounting Standards. ▶ Evaluated the Group's right to explore in the relevant exploration areas, which included obtaining and assessing supporting documentation such as license agreements and consideration of the status of the pending Marine Consent and Marine Discharge Consent currently awaiting approval in New Zealand. Assessed the Group's intention to carry out significant exploration and evaluation activity in the relevant areas of interest. This included an assessment of the Group's budgets, discussions with senior management and Directors as to the intentions and strategy of the Group. ▶ Agreed a sample of costs capitalised for the period to supporting documentation and assessing whether these costs meet the requirements of Australian Accounting Standards and the Group's accounting policy. ▶ Where JORC resources were available, performed a resource multiple analysis to cross check the carrying value of the Exploration and Evaluation Assets to market information. ▶ Evaluated the qualifications, competence and objectivity of the experts used by the Group to determine JORC resource. ▶ Assessed the adequacy of the related disclosures in the Notes to the financial statements.

Building a better working world

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating 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 have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 38 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Manuka Resources Limited for the year ended 30 June 2023, 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.

Ernst & Young

Ernst & Young

Siobhan Hughes

Siobhan Hughes
Partner
Sydney
29 September 2023

ASX Additional Information

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 29 September 2023.

(a) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary shares	
	Number of holders	**Number of shares**
1 - 1,000	132	83,823
1,001 - 5,000	565	1,565,169
5,001 - 10,000	427	3,635,822
10,001 - 100,000	821	30,411,102
100,001 and over	328	526,824,146
	2,273	**562,520,062**
The number of equity security holders holding less than a marketable parcel of securities are:	1,145	5,504,685

(b) Twenty largest shareholders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	**Percentage of ordinary shares**
1	MINVEST SECURITIES (NEW ZEALAND) LIMITED	49,347,316	8.77%
2	SOOTHGROVE PTY LTD	35,982,915	6.40%
3	Rosenberg Group	32,271,419	5.74%
4	CITICORP NOMINEES PTY LIMITED	24,436,935	4.34%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	21,414,901	3.81%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	20,564,627	3.66%
7	MR ANDREW LOUIS CHARLES BEREND	19,921,055	3.54%
8	SPINITE PTY LTD	19,830,851	3.53%
9	S T B OFFSHORE LIMITED	18,290,504	3.25%
10	R-CAP RESOURCES GP SA	15,535,526	2.76%
11	MR GEORGE WONG KIM PAU & MS HAPPY SIM	10,598,000	1.88%
12	ResCap Investments Pty Ltd	10,440,000	1.86%
13	MR NICHOLAS PAUL SIMON OLISSOFF	9,841,000	1.75%
14	ALAN J EGGERS <SUPER FUND A/C>	9,765,300	1.74%
15	MR BRETT SAMUEL ROSENBERG	8,442,174	1.50%
16	MR ADAM AARON ROSENBERG	8,167,174	1.45%
17	MR MATTHEW DAVID ROSENBERG	8,152,174	1.45%
18	MR PAUL HENRY BEREND	7,267,200	1.29%
19	NAPIER 647 PTY LIMITED <SOUDERIE A/C>	6,686,097	1.19%
20	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	6,489,327	1.15%
		202,599,501	**70.83%**

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

	Number of Shares	% Issued Capital
Level 1 Pty Ltd (ACN 105 622 928) <The Level one trust>, Kizogo Pty Ltd (ACN003 334 370) <Bergan Executive Retirement Fund>, Claymore Capital Pty Ltd (ACN 082 722 290) <Nominee trading a/c>, Sharron Ruth Rosenberg	32,271,419	5.74%
Dennis Karp (including holding of ResCap Investments Pty Ltd)	47,819,932	8.50%
Alan J Eggers	60,812,616	10.81%
John Andrew Gowans Seton	49,941,020	8.88%

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Schedule of interests in mining tenements as at 29 September 2023

Location : **Wonawinta Silver Project** is situated approximately 90 kilometres to the south of Cobar, NSW, and comprises one (1) granted mining lease and seven (7) granted exploration licences as below, plus processing plant and associated infrastructure .

Tenement	Percentage held / earning	Change during period
ML1659	100%	-
EL6482	100%	-
EL7345	100%	-
EL6155	100%	-
EL6302	100%	-
EL7515	100%	-
EL6623	100%	-
EL8498	100%	-

Location : **Mt Boppy Gold Project** is situated approximately 45 kilometres east of Cobar, NSW, adjacent to the Barrier Highway. The Project comprises four (4) gold leases, two (2) mining leases, one (1) mining purpose lease and one (1) exploration licence which encompasses the MLs and extends the project area to the south.

Tenement	Percentage held / earning	Change during period
GL3255	100%	-
GL5836	100%	-
GL5848	100%	-
GL5898	100%	-
ML311	100%	-
ML1681	100%	-
MPL240	100%	-
EL5842	100%	-

Location : Tenement Location: **Taranaki VTM Project** is situated offshore in the South Taranaki Bight along the west coast of the North Island, New Zealand. Tenements acquired as a result of the acquisition[44] of TTR comprise one granted mining permit and one granted exploration permit.

Tenement	Percentage held / earning	Change during period
MMP55581	100%	100%
MEP54068	100%	100%

[44] ASX disclosure 11 November 2022

(f) Unquoted Securities

At 29 September 2023, the Company had the following unlisted securities on issue:

			Holders of 20% or more of the class	
Class	Number of Securities	Number of Holders	Holder Name	Number of Securities
$0.32 options, expiring 30/09/2023	5,000,000	1	TA Private Capital Security Agent Ltd	5,000,000
$0.50 options. expiring 11/04/2024	1,100,000	3	Dennis Karp	500,000
			Nicholas Lindsay	300,000
			Anthony McPaul	300,000
$0.13 options, expiring 31/12/2023	19,034,266	5	Andrew Louis Charles Berend	8,956,746
			Marzio Keiling	3,875,969
			Prime Capital Global Opportunities Fund	4,263,566
$0.16 options, expiring 30/09/2024	5,000,000	1	TA Private Capital Security Agent Ltd	5,000,000
$0.35 options, expiring 30/09/2024	12,000,000	2	Alan John Eggers	2,403,365
			Minvest Securities (New Zealand) Ltd	9,596,635
$0.12 options, expiring 15/12/2024	4,000,000	1	TA Private Capital Security Agent Ltd	4,000,000
$0.08 options, expiring 31/03/2025	4,000,000	1	TA Private Capital Security Agent Ltd	4,000,000
$0.25 options, expiring 19/04/2025	2,000,000	1	Spinite Pty Ltd	2,000,000
$0.17 options, expiring 16/12/2025	19,571,419	60	Citicorp Nominees Pty Ltd	4,761,904
$0.06 options, expiring 30/06/2025	4,000,000	1	TA Private Capital Security Agent Ltd	4,000,000

(f) Restricted Securities

At 29 September 2023, the Company had the following restricted securities on issue.

Class	Number of Securities	Date escrow period ends
ESCROWED SHARES 18MONTHS FROM ISSUE	76,117,107	10/05/2024

(h) Approach to Corporate Governance

Manuka Resources Ltd ACN 611 963 225 (**Company**) has established a corporate governance framework commencing from when the Company was admitted to the official list of ASX. In establishing its corporate governance framework, the Company has referred to the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th edition (**Principles & Recommendations**). The Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices.

The following governance-related documents can be found on the Company's website at www.manukaresources.com.au, under the section marked "About Us > Corporate Governance":

Charters

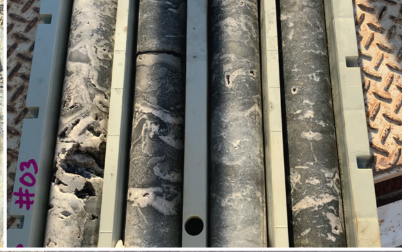
- Board
- Audit, Risk and Sustainability Committee
- Nomination Committee
- Remuneration Committee

Policies and Procedures

- Corporate Code of Conduct
- Disclosure - Performance Evaluation
- Continuous Disclosure
- Risk Management Policy
- Trading Policy
- Diversity Policy
- Shareholder Communication Strategy
- Sustainability Policy
- Hedging Policy
- Whistleblower Policy

For the financial year ended 30 June 2023 (**Reporting Period**) the Company has adopted the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council. The Company's 2023 Annual Corporate Governance Statement has been approved by the Board and is publicly available on the Company's website at www.manukaresources.com.au/site/about/corporate-governance. It will also be released to the ASX at the same time as this 2023 Annual Report.




MANUKA RESOURCES

Manuka Resources Limited
Level 4, Grafton Bond Building,
201 Kent St, Sydney, NSW Australia, 2000