

## ASX Announcement

24 November 2020

ASX: MKR



# Manuka Resources Limited Exploration Update

Manuka Resources Ltd ('Manuka' or 'the Company') is pleased to provide an exploration update having completed more than 20,000m of drilling over several licences since ASX listing in July. Manuka also announces the recently completed three-dimensional ("3D") geological model of the pit at the Mt Boppy Gold Project.

## Highlights

- A new 3D geological model of the Mt Boppy pit has now been completed which provides a vastly improved understanding of inherent structures, mineralisation and guidance for future exploration and mining focus.
- The current Mt Boppy grade control drilling program will be completed by the end of November.
- The planned Wonawinta 9,000m infill drilling program for resource definition update has now been completed, while additional drilling continues in newly identified regions within the existing Mining Lease.
- The Canbelego RAB drilling program has commenced and is 50% completed.
- Preparation for the Wonawinta Deeps drill program is underway and will commence in early January.

## Mt. Boppy Gold Project Exploration Update

### Highlights

- A new 3D geological model of the Mt Boppy pit has now been completed, and provides a vastly improved understanding of inherent structures, mineralisation and guidance for exploration and mining focus
- The current Mt Boppy grade control drilling program will be completed by the end of November.
- Additional deeper targets within the current Mt Boppy pit shell have now been drilled and are awaiting assay results.
- 7,000m of 15,000m RAB program within ML 1681 and in the adjacent EL areas have been drilled - the full program should be completed by the end of November.
- Exploration drilling on the Geweroo target on EL 5842 will commence in early 2021.

## Mt. Boppy Gold Project

Manuka's 100% owned Mt Boppy Gold Project in the eastern Cobar Basin consists of an operating mine on a granted ML and adjoining exploration tenements, and a JORC 2012 compliant ore reserve of 26,000 ounces of gold grading 3.0g/t.

The Company has completed a structural mapping exercise of the Mt Boppy pit with the aim of improving understanding of the structural controls that influence gold mineralisation and importantly, the extent of additional potential for mining beneath the current design pit floor at 165RL. The resulting 3D model clearly shows the relationship of high-grade zones with north plunging flexures in the main (East) Lode in the southern pit.

Modelling was undertaken by Mining Associates using Leapfrog Geo 3D software that utilised historic mine plans, historic drilling results, and recent pit mapping and pit 3D photogrammetry (Figure 1). The north-striking East Lode is the main zone of mineralisation that was mined underground from 1897-1920. Descriptions from the time indicate a fault breccia zone is developed at the contact of older Girilambone schist/phyllite and younger Baledmund Formation siltstones and sandstones. Another less continuous zone is developed some fifty metres to the west ('West Lode'), which joins the East Lode at depth. Both lodes are truncated at depth and to the north against the West Fault, a major structure that may have originally developed prior to mineralisation.

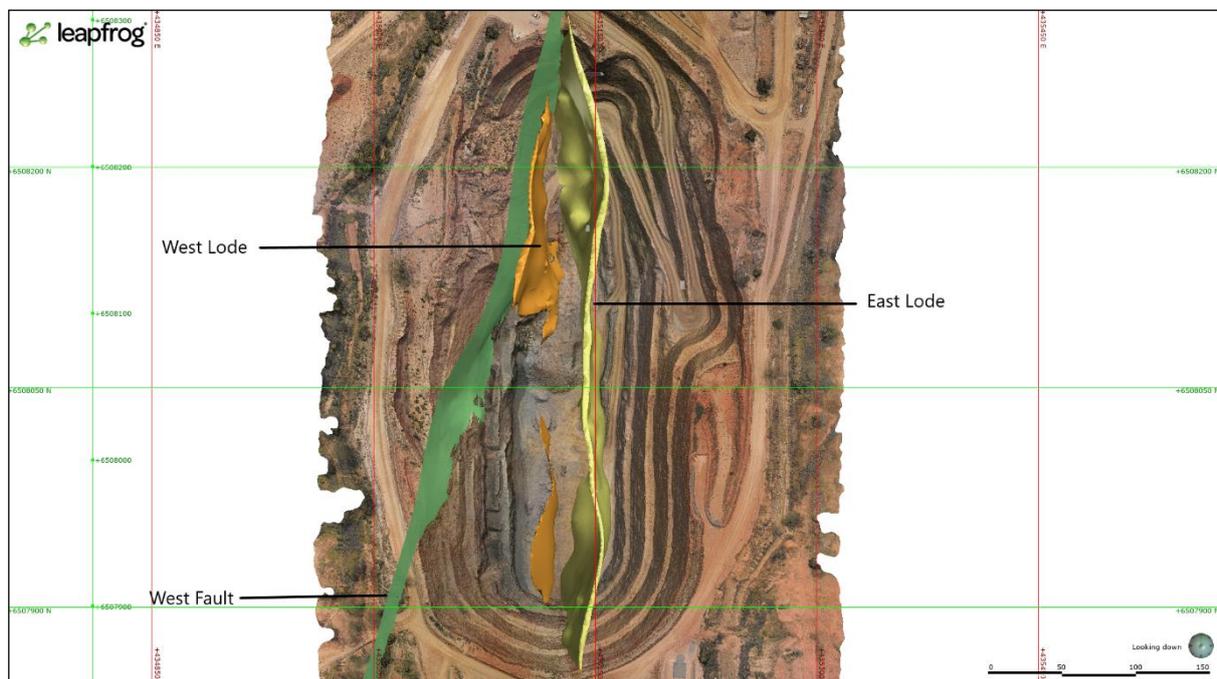


Figure 1. Plan of Boppy 3D model showing relationship of West Fault to lodes

Historically mineralisation was interpreted as plunging south parallel to the intersection of the West Fault and lodes, however the recent 3D modelling now suggests the primary plunge of the high grade ore lode is to the north (Figure 2), and controlled by variations in the dip and strike of the East Lode.

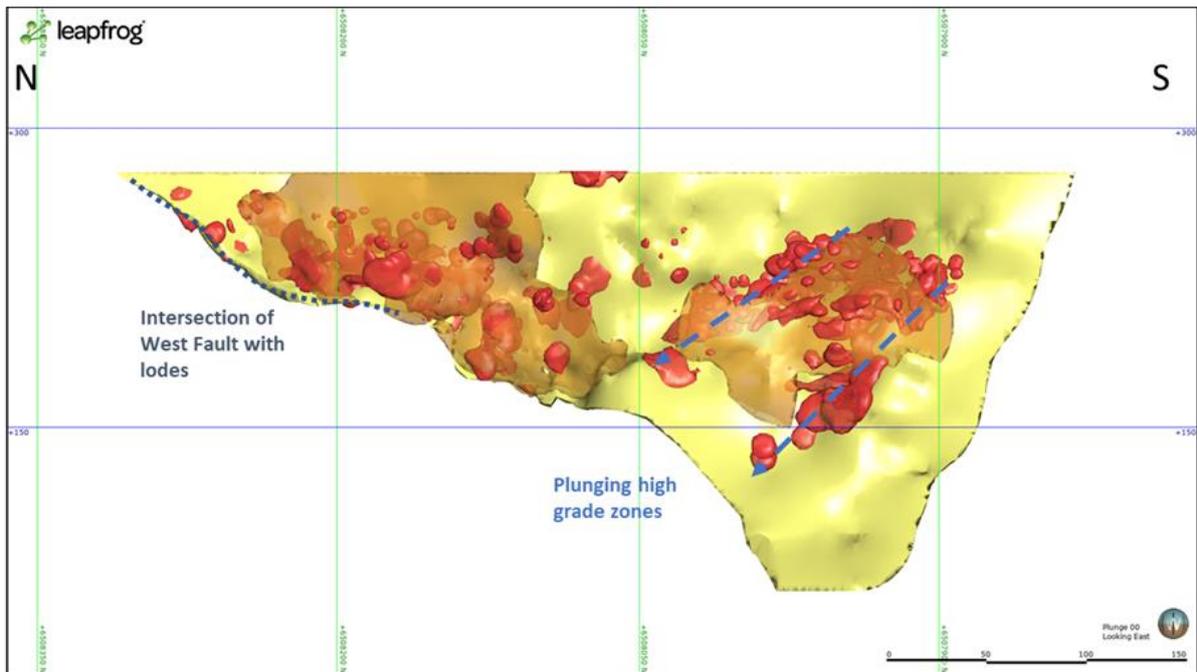


Figure 2. long section looking east showing north-plunging high-grade zones in southern part of deposit. Intersection of West Fault with lodes in north of deposit creates south plunge to mineralisation.

As part of the current reverse circulation ('RC') grade control drill program, additional depth extension holes beneath the current design pit floor (Figure 3) are planned and will build on information already obtained from earlier extension holes. A potential outcome of this revised orientation of high-grade shoots is that re-designed deeper pit shells are unlikely to require any south wall modification, subject to sufficient additional resources being identified. This outcome would be of significant upside to the Company.

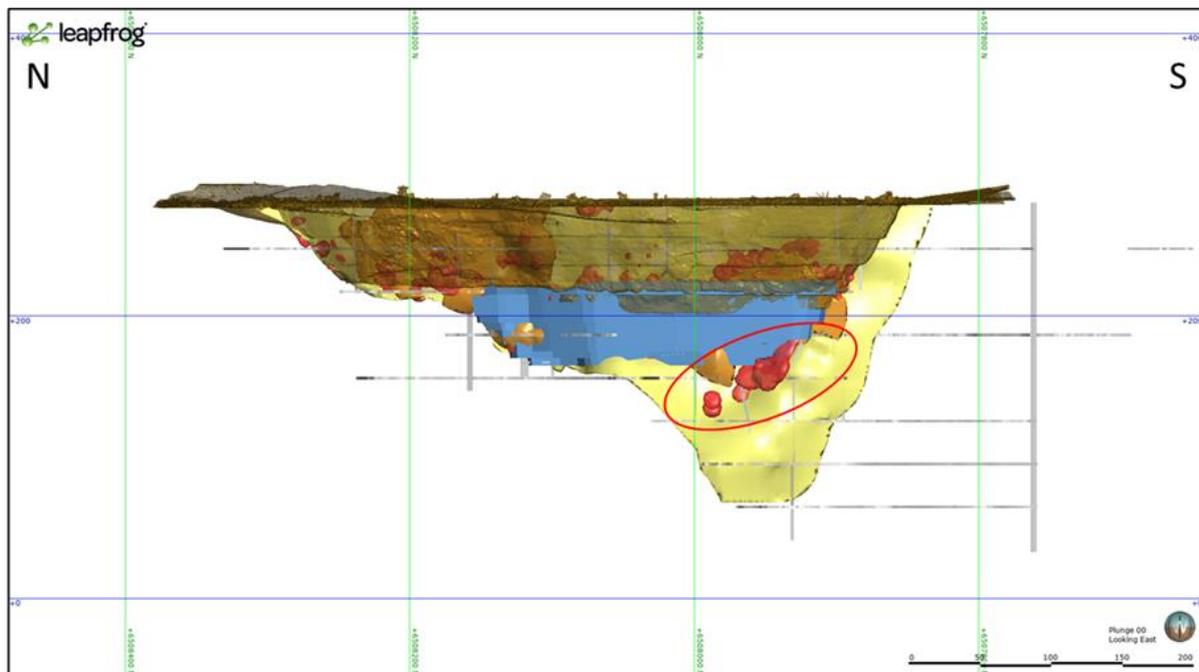


Figure 3. Long section looking east showing design pit (blue) and high-grade zone indicated by 5 g/t Au isosurface (red solid areas) generated in Leapfrog. High-grade target zone outlined by the ellipse.

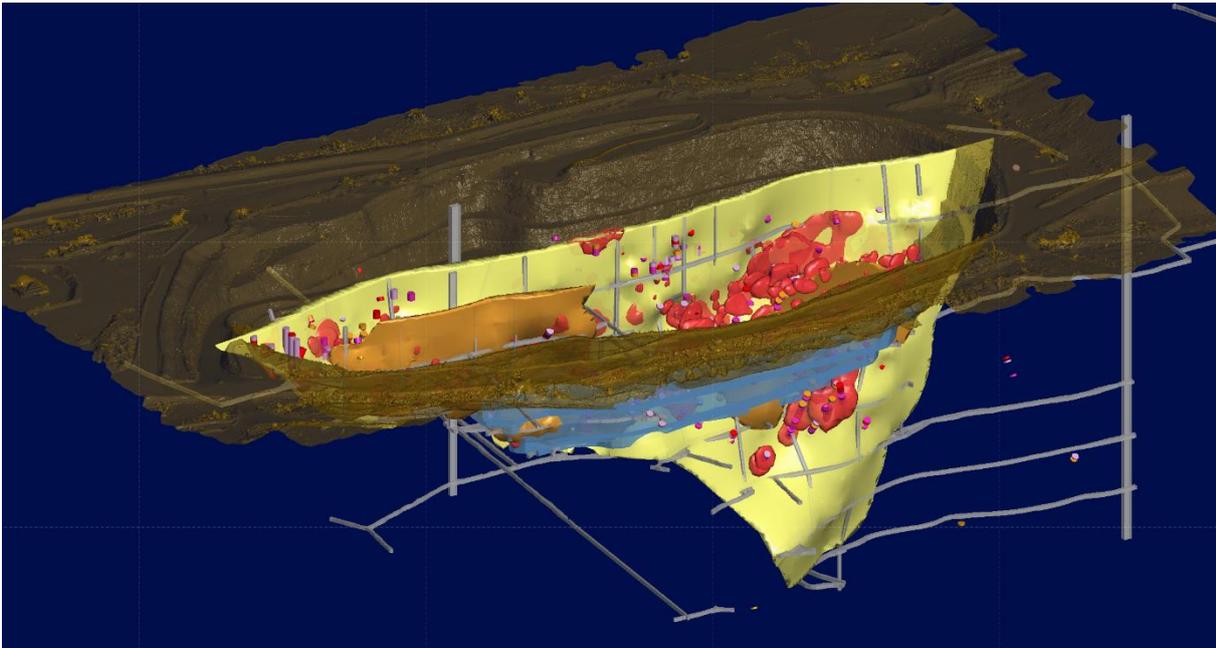


Figure 4. Long view looking east. illustrative separation of the west lode (in orange), east lode (in yellow) and current planned mine pit shell (blue), with high-grade zones extending below. Historical stopes visible.

## Wonawinta Silver Project Exploration Update

### Highlights

- As at 23 November we have completed >10,000 metres in 273 holes in infill drilling within the Manuka ML is nearing completion.
- The original 9,000 metre planned program was now increased to include the underexplored mineralised zone located between the Manuka and Boundary pits (“Tween”).
- A Wonawinta Mineral Resource oxide upgrade based on results of the infill drilling is expected during Q1 2021. Reserves and subsequent mine plans flowing from a resource upgrade are expected thereafter.
- The Company is planning for commencement of silver production from existing stockpiles following Mt Boppy gold production, which is expected in mid-2021. These plans make no assumption of any extension of mining from Mt Boppy.
- The ‘Wonawinta Deeps’ drill exploration program (diamond drilling) will test the potential silver and base metal sulphides below the oxide silver resource. Fences of deep holes have been planned under four main oxide zones (Figure 7) and drilling should commence in early 2021.

### Wonawinta Silver Project

Manuka’s 100% owned Wonawinta Silver Project in the western Cobar Basin comprises a refurbished processing plant and mill, with current nameplate capacity of approximately 850,000tpa, stockpiles containing approximately 500,000 tonnes of mineralised material at 70g/t Ag on the run-of-mine (ROM) pad, and a JORC 2012 mineral resource of 52.4 million ounces of silver.

The Company also holds title to the pastoral lease for the grazing property named “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, including a homestead and airstrip.

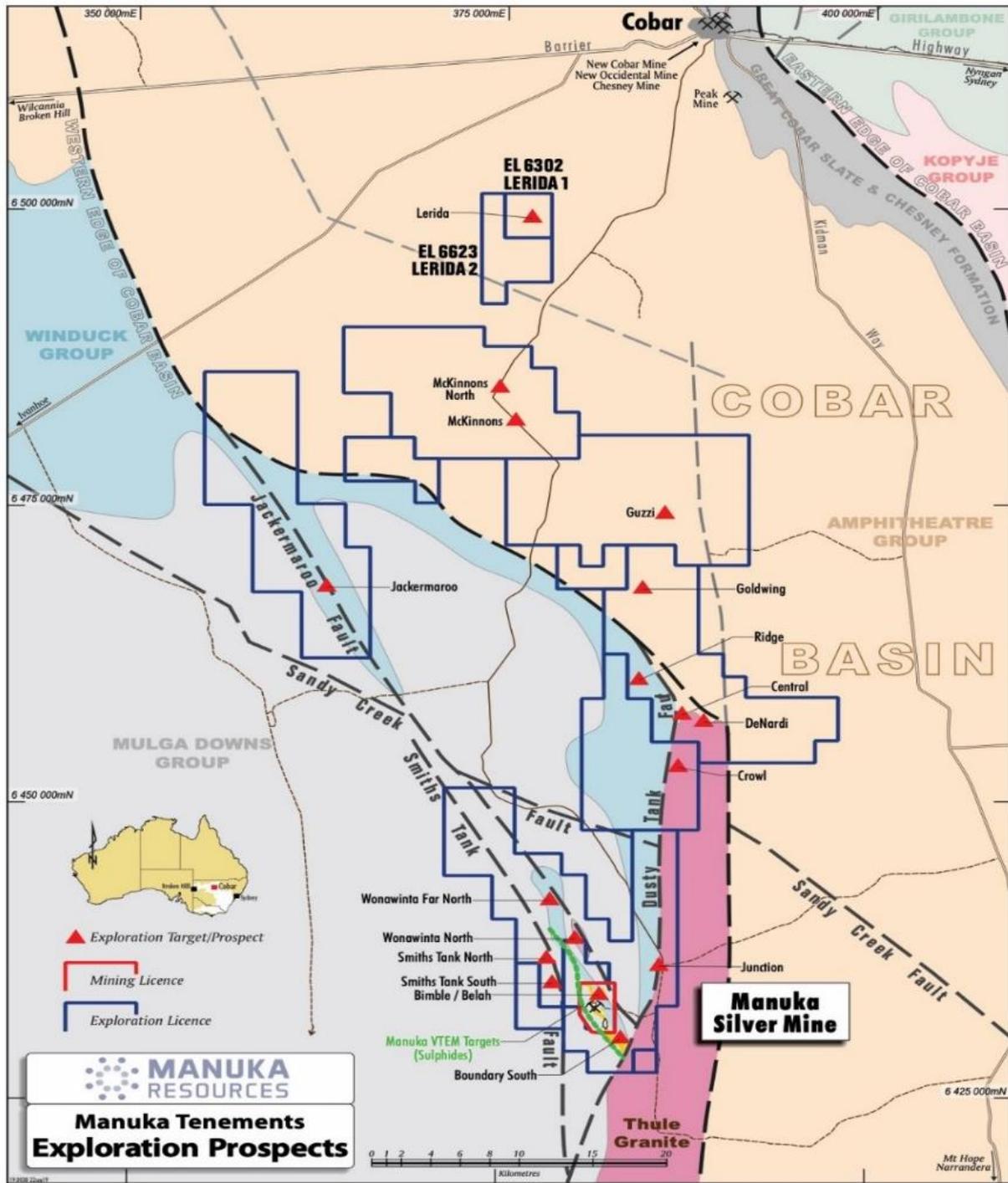


Figure 5: Manuka exploration tenements and targets near the Wonawinta Silver Project

Previous Manuka disclosure advised that following completion of processing the mined Mt Boppy gold ore, the Company will begin the silver phase of its production plan with the processing of the ~500,000t stockpile at the Wonawinta Processing Plant. This is currently targeted to occur in mid-2021, (based on the previous assumption of no resource extension arising from Mt Boppy).

Once the stockpile has been processed, the Company will then commence mining and processing the shallow oxide material contained within the existing JORC resource located on the Wonawinta mining lease. The Company expects to start this latter phase in the first quarter of 2022.

### Infill Drilling for JORC Resource Update

The Wonawinta Project already carries a substantial Mineral Resource. The total Mineral Resource above a 20 g/t Ag cut-off grade is 38.8 million tonnes at 42 g/t Ag and 0.61% Pb providing 52.4 million ounces of silver and 236.5 thousand tonnes of lead. This includes 14.5 million ounces of silver and 73.7 thousand tonnes of lead in Measured and Indicated Resource category.

Resource category	Material Type	Tonnes (kt)	Ag (g/t)	Pb (%)	koz	Kt
Measured	Ox	785.75	45.7	0.73	1,154	5.7
	Fr	105.30	40.3	0.47	137	0.5
Indicated	Ox	6,023	46.7	0.85	9,041	51.0
	Fr	2,473	52.8	0.66	4,200	16.4
Sub Total MI	Ox	6,808	46.6	0.83	10,195	57
	Fr	2,579	52.3	0.66	4,336	17
Inferred	Ox	14,474	38.9	0.68	18,119	97.9
	Fr	14,913	41.1	0.44	19,718	64.9
<b>Total Mill</b>		<b>38,774</b>	<b>42.0</b>	<b>0.61</b>	<b>52,367</b>	<b>236.5</b>
Stockpiles (Indicated)		515.7	70.01		1,161	

Figure 6: Mineral Resources Estimate at Wonawinta was updated in accordance with JORC Code (2012) by Mining Associates Pty Ltd in 2016, and subsequently verified by SRK Consulting. Refer ASX release dated 10 July 2020 (Prospectus).

The large proportion of the mineral resource categorised as 'Inferred' is due to the widely spaced historic drill intersections. Drill hole data in the ML spacing is variable throughout the areas assessed and ranges from broad first-pass exploration (250 x 50m) to RC grade control drill spacing (10 x 10 m) within the Boundary and Manuka pits. In areas adjacent to the pits, holes were typically drilled by previous operators on a 50 x 50 m spacing.

In August 2020, the Company embarked upon a substantial infill drilling campaign to upgrade the confidence level of this Inferred oxide Resource to an Indicated category, which may later be converted to a Probable Ore Reserve. This update will facilitate the preparation of a Mine Plan, and detailed cost estimates required for the Ore Reserve. As of 23 November 2020, the Company had completed the originally planned 9,000m program, but was drilling the final stages of the program on locations not in the original infill plan program.

### 'Wonawinta Deeps' Exploration Program

The Wonawinta Silver Project's mineralized strike extent is obvious, with a length of the current Inferred Resource of around 10km. What is less known with any certainty is the depth potential as there has been little exploration below 100m depth.

The potential for significant Winduck Shelf-style base metal and silver sulphide mineralisation beneath the existing oxide Resource was instrumental in attracting the Manuka's founders to the project in 2016. Confirmation of economic sulphide mineralisation with the Wonawinta Deeps drill program would be transformational for the Company.

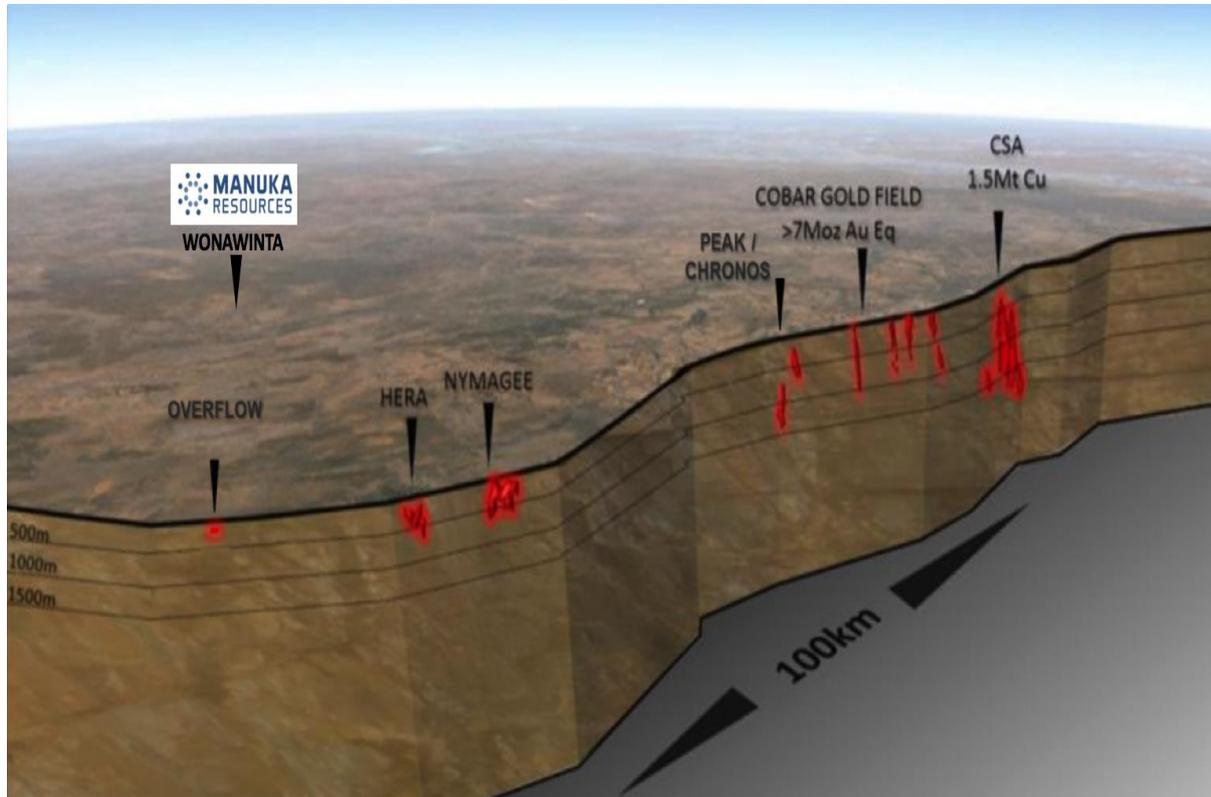


Figure 7 – Schematic Cobar regional long section with Wonawinta located on the western side of Cobar Basin, due west from the Hera Mine and highlighting the depth of neighbouring projects within the Cobar Basin

In early 2021, Manuka will embark upon the first sulphide exploration campaign at Wonawinta with an initial twenty hole program over four fence line totaling some 2,000m of drilling. Holes will have RC pre-collars above the interpreted sulphide interval and diamond cored tails through the target zone. This program will test the sulphide potential of the Booth Limestone at depth and will be conducted within Manuka's existing Mining Lease on four key target areas adjacent pits and dumps: Boundary, Manuka, Bimble and Belah (see Figure 8). Collectively this has been designated as the 'Wonawinta Deeps' program. Substantial drill programs on a number of our exploration tenements including Wirlong, Guzzi, Smiths Tank Corridor, Goldwing and other targets are also planned and will be detailed separately.

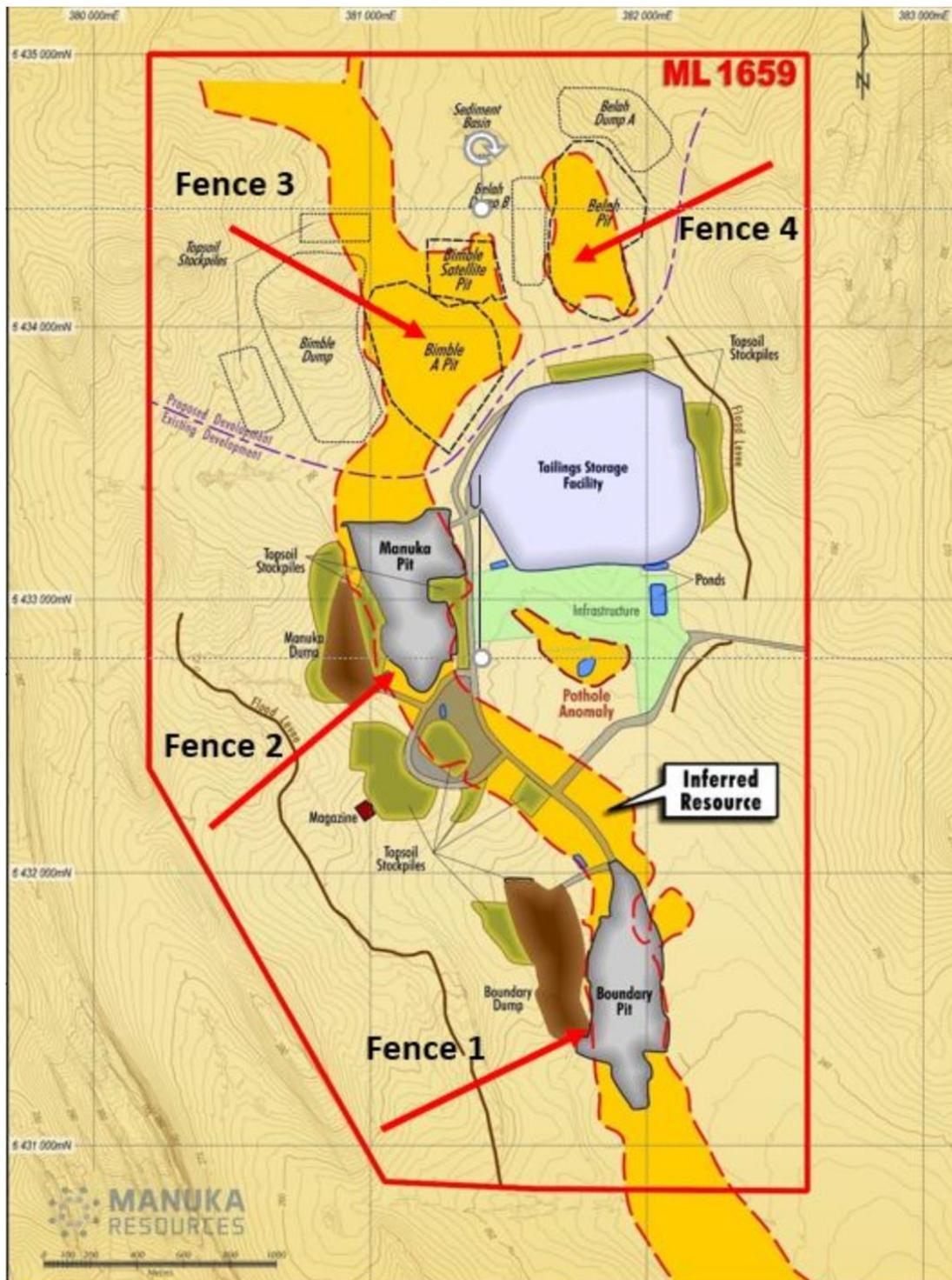


Figure 8: Deeper drilling program to be targeted beneath existing pits and dumps – the Wonawinta Deepes

The existing shallow resource at Wonawinta ends in sulphide mineralisation and the deeper drilling program's objective is to confirm the continuation of existing mineralisation into the sulphide zone. The previous owner did not specifically target sulphide mineralisation, with most drill holes terminating when fresh rock was reached. The extent of sulphide mineralisation open at depth represents a large potential resource upside at the Project and is a priority drill target within the current mine footprint.

Manuka's Executive Chairman, Dennis Karp commented: *"We are very excited to have moved into an aggressive period of drilling so soon after our IPO and as we simultaneously continue to produce gold from Mt Boppy. We strongly expect the infill Resource drilling at Wonawinta to yield very positive results."*

*Manuka is spoilt for choice when it comes to exploration options as our initial drilling beneath the Mt Boppy has revealed some exceptionally high-grade gold intercepts. However, the potential at depth beneath Wonawinta's existing large silver resource has, in our view, very strong potential to add material value to Manuka given the success numerous other Cobar Basin mine operators have enjoyed as they go deeper over time. Cobar is well known for its long-life mines which continue to grow well beyond initial expectations. Manuka will be the first Company to test the depth potential of Wonawinta's sulphide mineralisation, which could lead to the unlocking of yet another long-life silver/base metal asset in the Cobar Basin."*

**This announcement has been approved for release by the Board of Directors of Manuka Resources Limited.**

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**Important Information**

This report includes forward-looking statements and comments about future events, including the Company's expectations about the performance of its businesses. Forward-looking words such as "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" or other similar expressions are intended to identify forward-looking statements. Such statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward-looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance. Given these uncertainties, recipients are cautioned to not place undue reliance on any forward-looking statement. Subject to any continuing obligations under applicable law, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in this report to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. No Limited Party or any other person makes any representation, or gives any assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in the report will occur.

**Previously reported information**

This report includes information that relates to Mineral Resource and Ore Reserve estimates which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcements dated 29 September 2020 (Annual Report) & 10 July 2020 (Prospectus), which are available to view on the Company's website. The Company confirms that, other than mining depletion, it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of reporting of Ore Reserves and 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 announcements.

## Appendix – Mineral Resources and Ore Reserves Estimates

### Mt Boppy Resources and Reserves Estimates

Note: Reported differences may be present due to rounding of significant figures.

Table 1 – Mt Boppy Mineral Resources – as at 30 June 2020

Resource Category	Material	Tonnes	Grade	Contained gold
			g/t Au	Troy ounces
Measured	in-situ	40,500	3.43	4,473
Indicated	in-situ	195,500	2.99	18,790
	stopes	111,700	3.6	12,930
Inferred	in-situ	24,000	3.33	2,570
Total		371,700	3.23	38,763
Stockpiles (measured)		13,972	2.00	898

Table 2 – Mt Boppy Mineral Resources – as at 30 June 2020

Ore Type	tonnes	Au g/t Au	Au oz
Oxide	10,000	3.1	1,000
Transitional	130,000	2.9	12,000
Fresh	20,000	3.3	2,000
Stope tailings fill	100,000	3.3	11,000
Stockpiles	10,000	2.0	1,000
<b>Total Probable Ore Reserves</b>	<b>270,000</b>	<b>3.0</b>	<b>26,000</b>

### Wonawinta Mineral Resource Estimate

Table 3 – Wonawinta Mineral Resources – as at 31 March 2020

Resource category	Material Type	Tonnes (kt)	Ag (g/t)	Pb (%)	koz	Kt
Measured	Ox	785.75	45.7	0.73	1,154	5.7
	Fr	105.30	40.3	0.47	137	0.5
Indicated	Ox	6,023	46.7	0.85	9,041	51.0
	Fr	2,473	52.8	0.66	4,200	16.4
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