



ASX ANNOUNCEMENT

10 July 2020

Manuka Resources Limited (ASX: MKR) - ASX Announcement

In accordance with ASX listing requirements, Manuka Resources Limited ACN 611 963 225 (**Company**) is pleased to provide the following information to ASX for release to the market in connection with the expected commencement of official quotation of 72,462,382 of the Company's fully paid ordinary shares (each, a **Share**) on 14 July 2020.

1. Funds raised under the Prospectus

Each of the offers under the Company's prospectus dated 22 May 2020 (**Prospectus**) have closed. In this regard and accordance with the terms of the Prospectus, the Company confirms that it has issued¹:

- 35,000,000 Shares at an issue price of \$0.20 per Share to successful applicants under the General Public Offer (as that term is defined in the Prospectus), thereby raising gross proceeds of \$7 million; and
- 21,265,752 Shares at a "deemed" issue price of \$0.1519 per Share to the Company's (former) convertible noteholders under the Conversion Share Offer² (as that term is defined in the Prospectus), on conversion of their now converted convertible notes³.

2. Description of Mt Boppy Resources acquisition

On 20 June 2019, the Company, ResCap Investments Pty Ltd ACN 119 061 522 (**ResCap Investments**) and Gleneagle Securities Nominees Pty Ltd ACN 150 259 877 (**Gleneagle Nominees**) entered into a binding term sheet pursuant to which the Company agreed to acquire, and ResCap Investments and Gleneagle Nominees agreed to sell, 100% of the issued share capital of Mt Boppy Resources Pty Ltd ACN 611 963 216 (**Mt Boppy Resources**) (**Acquisition Agreement**).

A summary of the material terms of the Acquisition Agreement is set out in Schedule 1.

¹ The Company confirms that all Shares required to be issued under the General Public Offer and under the Conversion Share Offer were issued by the Company on 8 July 2020.

² No funds were raised by the Company under the Conversion Share Offer.

³ As a consequence of this conversion, the Company also confirms that the conversion and repayment obligations that it owed to its former convertible noteholders have now been extinguished.

3. Distribution schedule

Set out below is the total number of Shareholders and the number of Shareholders by size category. The Shares are the only class of security that are to be quoted on the financial market operated by ASX.

Category	Number of Shareholders	Number of Shares	Percentage of issued capital
1 – 1,000	0	0	0%
1,001 – 5,000	0	0	0%
5,001 – 10,000	261	2,606,493	1.05%
10,001 – 100,000	242	8,991,137	3.61%
100,001 and over	148	237,756,082	95.35%
Total	651	249,353,712	100%

4. 20 largest holders of Shares

Set out below are the Company's 20 largest Shareholders and the number and percentage of Shares that they hold. The Shares are the only class of security that are to be quoted on the financial market operated by ASX.

Number	Name of Shareholder	Number of Shares held	Percentage of Shares
1.	Rescap Processing Projects Pty Ltd	59,690,106	23.94%
2.	Rescap Investments Pty Ltd	30,583,174	12.26%
3.	Spinite Pty Ltd	15,655,751	6.28%
4.	Claymore Capital Pty Ltd	14,723,825	5.90%
5.	Level 1 Pty Ltd	10,119,496	4.06%
6.	Mr Matthew Rosenberg	8,227,174	3.30%
6.	Mr Brett Rosenberg	8,227,174	3.30%
7.	Mr Adam Rosenberg	8,167,174	3.28%
8.	Kizogo Pty Ltd	5,434,783	2.18%
9.	Bradford Banducci	4,754,347	1.91%
10.	Exit Out Pty Ltd	3,838,933	1.54%
11.	A N Holman Investments Pty Ltd	3,687,684	1.48%
12.	Langston Key Limited	3,344,482	1.34%
13.	Geulah Pty Ltd	2,788,780	1.12%
14.	Rigi Investments Pty Ltd	2,698,532	1.08%
15.	Hargreaves Singapore Pte Ltd	2,500,000	1.00%
16.	J Marquard & Amanda Hutton	2,141,082	0.86%
17.	Mining Associates Pty Ltd	2,072,573	0.83%
17.	Mr Savithri Thirunavukarasu	2,072,573	0.83%
18.	CS Third Nominees Pty Ltd	1,650,000	0.66%
19.	Supermax Pty Ltd	1,554,430	0.62%
20.	The LF Point Pty Ltd	1,487,268	0.60%
	Total	<u>195,419,341</u>	78.37%
	Total issued capital	<u>249,353,712</u>	100%

5. Issue of Broker Options

On 10 July 2020, the Company granted Bell Potter Securities Limited 10,000,000 options (**Broker Options**) in accordance with the terms of the Broker Engagement Letter (as that term is defined in the Prospectus). The Broker Options are exercisable into new Shares at any time on or before 5pm (Sydney time) on 14 July 2023 at an exercise price of \$0.25 each. No other unquoted securities have been issued by the Company since the date of the Prospectus.

6. Shares and Options subject to ASX-imposed escrow

The number of Shares and other securities in the Company that are subject to ASX-imposed escrow and the escrow period applicable to those securities is set out in the table below.

Class of restricted security	Total number of restricted securities	Duration of escrow restriction
Shares	167,862,649	24 months commencing on the date on which official quotation of the Shares begins
Shares	844,482	12 months from the date of issue (which was 27 February 2020)
Shares	2,500,000	12 months from the date of issue (which was 11 May 2020)
Shares	595,593	12 months from the date of issue (which was 12 May 2020)
Shares	5,088,606	12 months from the date of issue (which was 8 July 2020)
Options	6,500,000	24 months commencing on the date on which official quotation of the Shares begins
Broker Options	10,000,000	24 months commencing on the date on which official quotation of the Shares begins
Options	3,250,000	12 months from the date of issue (which was 16 April 2020)
Options	1,500,000	12 months from the date of issue (which was 6 May 2020)

7. Capital structure of the Company

The equity capital structure of the Company on listing comprises 249,353,712 Shares and 21,250,000 options⁴ exercisable into Shares. As noted elsewhere in this ASX announcement, the Company has no other classes of equity security on issue.

8. Status of EL8489

The Company has applied for the renewal of Exploration Licence 8489 with the NSW Department of Minerals Exploration and Geosciences. The status of the renewal application is still pending. The Company has no reason to believe that EL8489 will not be renewed⁵.

⁴ 10,000,000 of which are the Broker Options. Each of the remaining 11,250,000 Options referred to in this table are exercisable into new Shares at any time on or before 5pm (Sydney time) on 17 April 2023 at an exercise price of \$0.25 each.

⁵ As noted by AMETS, the author of the Independent Tenement Report set out in Section 6 of the Prospectus, the Company has submitted all required information to support a valid renewal application.

9. Repayment of Interim Debt Facility

On 11 June 2020, the Company repaid the full amount owing to T-A Investments Pty Ltd (which was approximately \$2.33 million) under the Interim Debt Facility (as that term is defined on page 13 of the Prospectus).

10. Cash settlement of certain options

On 10 July 2020, the Company cash settled a total of 5,163,043 options for a total of \$82,602 (thereby reducing the number of options the Company has on issue by 5,163,043 (leaving it with 21,250,000 options on issue as noted in section 7 above)).

11. Repayment of Gold Prepayment Facility

On 26 June 2020, the Company repaid the full amount owing to Cobar United Pty Ltd ACN 630 720 606 (which was \$0.95 million) under the Gold Prepayment Facility (as referred to in the Prospectus).

12. Debt for equity swap

On 13 May 2020, the Company issued a total of 17,400,000 Shares to ResCap Investments and Gleneagle Nominees in full and final satisfaction of the approximately \$3.5 million that the Company/Mt Boppy Resources owed to those 2 entities.

13. Pre-quotation disclosure

For further information, please see the documents noted in Schedule 2 (which have also been released by the Company via ASX's Market Announcements Platform) as well as the Company's website www.manukaresources.com.au.

The directors would like to welcome all new Shareholders in the Company.

This release has been authorised by the Company's Executive Chairman, Mr Dennis Karp.



Dennis Karp
Executive Director
Manuka Resources Limited

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Schedule 1 - Summary of Acquisition Agreement

On 20 June 2019, the Company, ResCap Investments and Gleneagle Nominees entered into the Acquisition Agreement pursuant to which the Company agreed to acquire, and ResCap Investments and Gleneagle Nominees agreed to sell, 100% of the issued share capital of Mt Boppy Resources. A summary of the key terms of the Acquisition Agreement is set out below.

Consideration	In consideration for 100% of the issued share capital of Mt Boppy Resources, the Company issued ResCap Investments with 37,063,440 new Shares and Gleneagle Nominees with new 24,708,960 Shares.
Conditions precedent	<p>The Acquisition Agreement contained a number of conditions precedent (all of which were satisfied by the parties to that agreement in June 2019). The material conditions precedent set out in Acquisition Agreement were:</p> <ul style="list-style-type: none"> • the execution of a document titled “Deed of Acknowledgement of Debt - Mining Securities Loan”; and • the execution of a document titled “Deed of Acknowledgement - Existing Vendor Debts”.
Representations and warranties	The Acquisition Agreement contained a number of representations, warranties and undertakings that are/were customary in the context of mining entity acquisition agreements.
Deed of Acknowledgment - Mining Securities Loan	Pursuant to this deed of acknowledgement, Mt Boppy Resources acknowledged the existence and irrevocably and unconditionally guaranteed the repayment of a \$966,692 interest free debt that it owed to its former majority shareholder (ie ResCap Investments). Mt Boppy Resources borrowed this amount from ResCap Investments to partially fund a \$1,375,000 environmental obligation security that it was required to deposit with the NSW Department of Planning & Environment (the predecessor authority to the NSW Department of Minerals Exploration and Geosciences).
Deed of Acknowledgement - Existing Vendor Debts	Pursuant to this deed of acknowledgement, Mt Boppy Resources acknowledged the existence and irrevocably and unconditionally guaranteed the repayment of (an additional) \$2,088,000 owed to ResCap Investments and \$1,392,000 owed to Gleneagle Nominees. This indebtedness, along with the \$966,692 owed to ResCap Investments as referred to above, was subsequently extinguished by the Company following the conversion of this aggregate indebtedness into Shares as described in section 12 of the accompanying ASX announcement.
Release of ResCap Investments guarantees	It was a term of the Acquisition Agreement that the Company procure the release of ResCap Investments from all of its financial guarantees in support of Mt Boppy Resources. The release of ResCap Investments from all such guarantees has now occurred.
Disclosure in relation to Mt Boppy Resources	Disclosure in relation to Mt Boppy’s history, assets, liabilities and prospects (as well as the risks associated with this business) are set out in full in the Prospectus (and in particular in Sections 2, 4 and 7 of the Prospectus).
Completion	The Company completed the acquisition of 100% of the issued share capital of Mt Boppy Resources (at which point, Mt Boppy Resources became a wholly owned subsidiary of the Company) from the vendors (ie ResCap Investments and Gleneagle Nominees) on 30 June 2019.

Schedule 2 - Pre-quotation disclosure

Item	Document name
Quotation	
1.	Appendix 1A
2.	Information Form and Checklist
3.	Annexure I (Mining Entities)
4.	Prospectus
5.	Constitution
6.	Audited accounts for the year to 30 June 2018
7.	Audited accounts for the year to 30 June 2019
8.	Reviewed accounts for the half year to 31 December 2019
9.	Financial report (Mt Boppy Resources) for the year to 30 June 2018
10.	Securities Trading Policy