ASX Announcement
8 February 2021

ASX: MKR

Highly encouraging initial indications from 'Wonawinta Deeps' sulphide drilling program

Manuka Resources Ltd - ASX:MKR ('Manuka' or 'the Company'), the 100% owner of Wonawinta Silver Project and Mt Boppy Gold Project ('the Projects') is pleased to advise on early progress of the Wonawinta Deeps Exploration Program ('Wonawinta Deeps') at Wonawinta.

Highlights

- Wonawinta Deeps is a drill program to test the concept of carbonate-hosted sulphides beneath the oxide silver resource at Wonawinta.
- The initial program comprises four fence lines of holes across the main areas of oxide mineralisation.

The first hole (DBM003) completed on Fence 3 through the Bimble area (Fig 1), has intersected carbonate containing sulphides which have been analysed with a portable XRF (pXRF). Preliminary pXRF spot readings included some significant individual measurements including:

- 43.13% Zn, 12.76% Pb and 4270g/t Ag at 101.2 metres, downhole depth
- 30.2% Zn, 21.6% Pb and 1870g/t Ag at 104.7 metres, downhole depth
- 32.1% Zn, 22.3% Pb and 444g/t Ag at 124.1 metres, downhole depth
- 32.5% Zn, 1.5% Pb and 45g/t Ag at 139.9 metres, downhole depth
- Drill core is being logged in detail, sectioned with a core saw and interpreted (samples will be despatched to an independent assay laboratory).

Wonawinta Deeps

The first hole from Wonawinta Deeps on the Wonawinta ML (reported to ASX on 22 January 2021) has reached a total depth at 154 metres downhole. Wonawinta Deeps is a drill program to test the concept of carbonate-hosted sulphides beneath the oxide silver resource at Wonawinta.

The initial program comprises four fence lines of vertical drill holes beneath the known oxide mineralisation (Figure 1). Drill holes will have a reverse circulation (RC) pre-collar through the Gundaroo and Transitional units with a diamond drill tail designed to penetrate the thickness of the Booth Limestone and terminate in the underlying Thule Granite.

Whilst called Wonawinta Deeps, the program targets lead-zinc-silver sulphide mineralisation at relatively shallow depths ranging from 80-250 metres in the Booth Limestone of the Winduck Group, an elongate shelf along the western edge of the

Cobar Basin.

The first hole completed on the Bimble line (drilled at DBM003) has intersected carbonate containing sulphides which have had preliminary analysis with a portable XRF (pXRF).

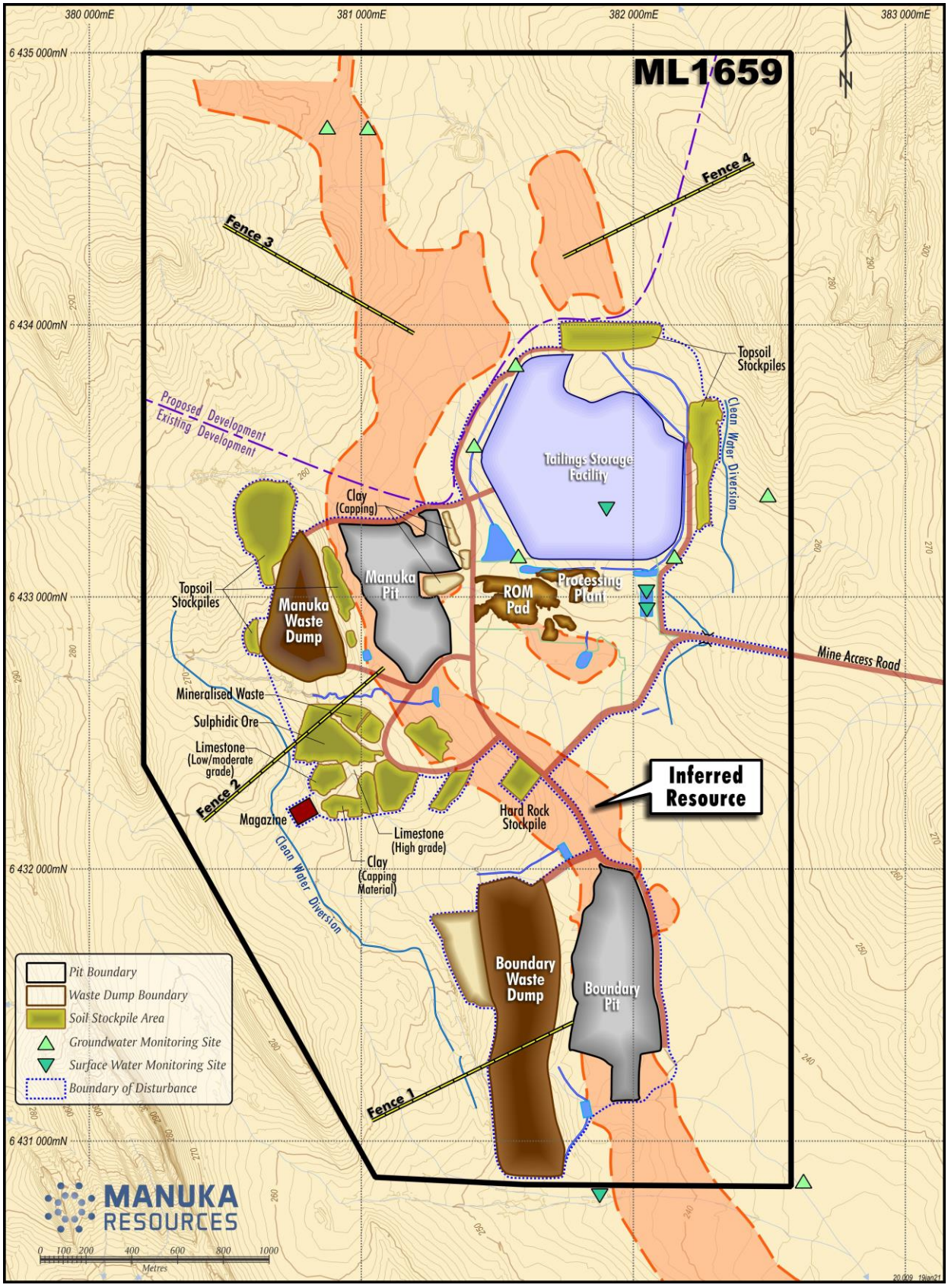

Figure 1: Wonawinta Mining Lease ML 1659 with proposed Wonawinta Deeps fence lines

Preliminary pXRF

Core from the limestone interval of hole DBM003 was photographed and had random preliminary pXRF readings taken at the rig site. Full logging, interpretation and systematic pXRF of the hole is currently underway.

To comply with ASX continuous disclosure requirements, the Company can report that pXRF spot readings included some significant individual measurements, such as:

- 43.13% Zn, 12.76% Pb and 4270g/t Ag at 101.2 metres, downhole depth
- 30.2% Zn, 21.6% Pb and 1870g/t Ag at 104.7 metres, downhole depth
- 32.1% Zn, 22.3% Pb and 444g/t Ag at 124.1 metres, downhole depth
- 32.5% Zn, 1.5% Pb and 45g/t Ag at 139.9 metres, downhole depth.

Sulphide mineralisation appears to comprise zinc primarily as sphalerite and lead primarily as galena. Note that the pXRF analyses were spot readings, few in number and random in nature and relate to the metal content of a specific and small area of core. They are not an indication of an ore grade nor indicative of ore thickness.

Logging and analysis of the neighbouring drill holes should enable an initial interpretation of the possible mineralisation style and potential scale of mineralisation at Wonawinta.

Quarter core samples from the mineralised section of DBM003 will be sent to an independent laboratory for assay. The current backlog of samples at the independent assaying lab is approximately 8 weeks.

Manuka's Executive Chairman, Dennis Karp noted: "Since first purchasing this project in 2016, it has always been our intention to test Wonawinta Deeps on the existing ML. Any evidence of strong sulphide mineralisation could prove transformational for Manuka. It has taken us 4.5 years to be able to commence this current deeper drill program, and to then obtain pXRF spot readings of the grades noted above is extremely exciting. We await the independent laboratory assay results of the full program over the coming 2 – 3 months with much anticipation."

About Manuka

Manuka Resources Limited (ASX: MKR) is an Australian mining company located in the Cobar Basin, central west New South Wales. It is the 100% owner of two fully permitted gold and silver projects which include the following:

Mt Boppy Gold mine and neighbouring tenements hosting an existing open pit Measured and Indicated Resource of 351,430 tonnes grading 4.62 g/t gold, based on a cut-off grade of 1.6 g/t for material within its current open pit design and a cut-off grade of 3.0 g/t for material below the current pit design, and an inferred resource of 11,000 tonnes grading 6.7 g/t below the designed pit reported at a 3.0 g/t cut off, The Mt Boppy project is currently in production and processing its gold ore through the Company's processing plant at Wonawinta.

Wonawinta silver project, with mine, processing plant and neighbouring tenements, hosting 52 million ounces of silver in an inferred JORC compliant silver resource grading 42 g/t silver at a cut-off grade of 20 g/t silver. The Wonawinta processing plant has a nameplate capacity of 850,000 tonnes per year. The Company expects to announce a Resource Update during March/April 2021.

The Wonawinta silver project was previously the largest producer of primary silver in Australia. Manuka intends to resume the production of silver doré in mid-2021, following the completion of mining at Mt Boppy.

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 Resources and Ore Reserves which were prepared and first disclosed under JORC Code 2012. The information was extracted from the Company's previous ASX announcement dated 10 July 2020 (Prospectus), and updated in its ASX release on 2 February 2021. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement 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 announcement.

Competent Person Statement

Information in this announcement that relates to Exploration Results and Resource Updates is based on, and fairly represents, information and supporting documentation prepared by Dr Simon McDonald, a Competent Person who is a Member of the Australian Institute of Geoscientists. Dr McDonald 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 (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Information in this announcement that relates to Exploration Results. Dr McDonald consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

APPENDIX 1: JORC CODE 2012 EDITION – TABLE 1

Criteria	Commentary
Sampling techniques	• The drill core was photographed in the splits before placement into the core trays. • Several random pXRF readings were made on PQ gauge diamond drill core as it was removed from the core barrel. • PQ Drill core will be quarter cut over varying interval lengths depending on logged geological units and will be sent in 1m lengths to an independent assay laboratory.
Drilling techniques	• Diamond (PQ diameter)
Drill sample recovery	• Core was recovered using PQ gauge triple-tube method whereby core is retrieved within a core tube using a wireline shotover wireline.
Logging	• Drill hole DBM003 is yet to be comprehensively logged.
Sub-sampling techniques and sample preparation	• n/a
Quality of assay data and laboratory tests	• The metal values reported in the text were measured on an Olympus Vanta pXRF. That machine is one of two on site and machines are calibrated with each other and with standard samples as a matter of course.
Verification of sampling and assaying	• Quarter-core from DBM003 has yet to be sampled but will be sent in 1m lengths for independent assay.
Location of data points	• pXRF readings were taken on core surface in several locations at downhole depths which were calculated by drillers and marked on core blocks at the end of each core run.
Data spacing and distribution	• Five pXRF readings were taken on core surface in random locations
Orientation of data in relation to geological structure	• Core material has not been assessed and interpreted
Sample security	• n/a
Audits or reviews	• No audits/reviews of sampling techniques and data have been