

ASX Announcement

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MARKET SENSITIVE



Purchase of 1 MTPA Flotation Circuit to materially add to Manuka's processing capacity

Investment Highlights:

- **Manuka purchases flotation circuit processing plant to add to existing infrastructure – processing capacity increased to circa 1Mtpa**
- **Plant is in good condition and has previously produced >600,000 oz gold**
- **Manuka expects to commence relocation of the plant by mid-2022 and could have it on site and production ready by early 2023, adding to the existing Wonawinta capacity**
- **Combined with existing leach facility, Manuka now has processing optionality and flexibility including ability to process both oxide and sulphide ores as needed.**
- **Flotation circuit will be crucial for processing of base metals which are one of the targets of the current exploration program.**
- **Based on initial results from exploration programs and consultants' confidence that significant quantities of ore will likely be found, this purchase is opportunistic as Manuka capitalizes on available infrastructure from current cashflow**

Manuka Resources Limited (“**Manuka**” or the “**Company**”) is pleased to announce the execution of binding documentation to secure the purchase of Oceana Gold (New Zealand) Ltd’s Reefton processing plant (see plant photo below). A \$30,000 deposit has been paid and the full acquisition cost of an additional \$370,000 will be funded from the Company’s internal resources. The modest purchase price is a fraction of the cost for new flotation plant equipment. The purchase is part of Oceana’s Reefton Restoration Project.

The Reefton plant was designed by GRD Minproc largely from Outotec componentry. It operated for around 10 years from 2007, during which time it produced >600,000 oz gold in concentrate from Oceana’s Globe Progress Mine. The plant has been on care and maintenance since 2017 and is in good condition. Manuka expects to commence relocation of the plant by mid-2022 and if required, could have the facility production ready, on site and adding to the existing Wonawinta capacity by early 2023 if required. The purchase is opportunistic and is based on the following considerations:

- 1) neighbourhood exploration success,
- 2) initial on-site results from our deeps and broader exploration program
- 3) consultant confidence that commercial quantities of ore appropriate for processing by a flotation circuit will likely arise emerge as a result of the ongoing exploration program.

Manuka believes the addition of the flotation circuit adds materially to the inherent value of the Company. Together with its existing 850,000tpa leach circuit, processing optionality and flexibility is significantly increased and allows the site to reach its full potential processing ore from the Wonawinta deposit and future surrounding resources. While installing the flotation plant in a conventional configuration enables potential production capacity approaching 1Mtpa, Manuka will now have the required future capacity and ability to process oxide and/or sulphide ores as needed.

Plant options for stand-alone Flotation and Leach circuits are also being reviewed. In this configuration, the process feed could equate to circa 850k - 1.0Mtpa for each circuit (which would in effect double current capacity) but would be subject to the addition of a second comminution circuit (crushing and grinding circuit). Manuka does have a second ball mill which it is currently using as a regrind mill, but it is limited in size. When installed, the plant will sit alongside the existing leach plant in close proximity to our tailings dam.

Manuka has long viewed the Cobar Basin as being attractive for corporate consolidation and sees itself playing a role. There are around 20 explorers and emerging producers in the Basin and Central West region, yet only 4 companies with a combined total of 5 operating production facilities (of which Manuka is one). Equipment supply delays arising from Covid are materially lengthening project timelines. The combined effect of this and an already time consuming permitting and approval process necessary for any new project, is negatively impacting many development schedules. Readily available process equipment readily is considered a material advantage.

Manuka has generated ~A\$12.0m in profits over the past 6 months (unaudited) as it continues to fund an exciting exploration program from working capital.

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

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