

ASX Announcement

10 December 2020

ASX: MKR



A\$7m Placement to Accelerate Drilling Activities at Mt Boppy and Wonawinta

Highlights:

- Manuka has received firm commitments to raise A\$7 million through a strongly supported Placement at A\$0.40 per share from a range of domestic and international institutions and existing shareholders
- Post raising, Manuka will be fully funded to support accelerated exploration and resource drilling activities at the Mt Boppy Gold Project and Wonawinta Silver and Base Metals Project and to also provide general working capital
- Completed more than 20,000m of drilling with a vast number of assays still to be received
- Upon completion of the Placement, Manuka will have a cash balance of ~A\$10 million

Manuka Resources Ltd ('Manuka' or the 'Company', ASX:MKR) is pleased to announce it has received firm commitments for a A\$7 million placement to sophisticated, professional and institutional investors ("Placement").

Manuka's Executive Chairman, Dennis Karp commented: *"Demand for the placement was very strong from both existing and new investors. This funding provides Manuka with a strong cash balance to accelerate drilling at Mt Boppy and Wonawinta."*

"Drilling at Mt Boppy will follow-up the recent assays which identified high grade gold mineralisation outside the current pit shell. We are focused on unlocking the potential for further resource extension at Mt Boppy and drilling will seek to extend the current resource on the Company's current Mining Leases as well as exploration drilling on the Geweroo target."

"The Company has completed over 10,000m of drilling at Wonawinta. We are excited to commence an exploration diamond drilling program at Wonawinta Deeps to test the potential for silver and base metal sulphides below the oxide silver resource."

"In addition to the Placement, the Company has agreed to convert the unsecured capital loans, which total approximately A\$1 million, to equity at the same price as the Placement. This is a strong sign of support and further enhances the Company's balance sheet."

Placement details

The Placement will comprise the issue of 17.5 million new fully paid ordinary shares at an issue price of A\$0.40 per share. Settlement of the Placement is expected to occur on or around Tuesday, 15 December 2020.

The issue price of A\$0.40 per share represented a:

- 13.0% discount to the last close price of A\$0.46 per share; and
- 8.9% to the 10-day volume weighted average price of A\$0.44

Funds raised from the Placement will be used towards:

- Exploration drilling at Mt Boppy and Wonawinta
- Capital equipment; and
- General working capital.

Bell Potter Securities Limited acted as Lead Manager to the Placement.

Shares issued under the Placement will be issued within the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1.

Indicative Timetable

Event	Date
Successful completion of Placement announced and Company resumes trading	Thursday, 10 December 2020
Settlement of shares issued under the Placement	Tuesday, 15 December 2020
Allotment of Placement shares	Wednesday, 16 December 2020

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

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Visit us on Twitter: <https://twitter.com/ManukaResources>

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 probable reserve of 270,000 tonnes grading 3 g/t gold, based on a cut-off grade of 1.36 g/t for oxide material and 1.47 g/t for transitional material at an assumed gold price of A\$2,200 per ounce. 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 Wonawinta silver project was previously the largest producer of primary silver in Australia. Manuka intends to return it to the production of silver doré in mid-2021, following the completion of mining at Mt Boppy.

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 announcements dated 29 September 2020 (Annual Report) and 10 July 2020 (Prospectus). 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 announcements 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 ¹		371,700	3.23	38,763
Stockpiles (measured)		13,972	2.00	898

Table 2 – Mt Boppy Mineral Resources¹– 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
Total Probable Ore Reserves	270,000	3.0	26,000

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
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
Total MII²		38,774	42.0	0.61	52,367	236.5
Stockpiles (Indicated)		515.7	70.01		1,161	

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

¹ The Mt Boppy Mineral Resource has been reported using a 1 g/t Au cut-off grade

² The Wonawinta Mineral Resource Estimate has been reported using a 20 g/t Ag cut-off grade